

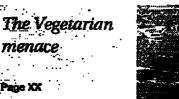


Albania. survivors



The genius 📑 of Venice







Goldman Sachs

At work with the billion-dollar monks

FINANCIAL TIMES

WEEKEND SEPTEMBER 17/SEPTEMBER 18 1994

Invasion of Haiti 'days away' as US rejects mediation

Europa's Business Newspaper

The US-led invasion of Haiti is "a matter of days away" and, when it comes, serious fighting will be over "in a matter of hours," US secretary of state warren Christopher and defence secretary William Dayru said ITS officials miled out thing to the content of the co Perry said. US officials ruled out third party mediation with the Haiti junta, saying any dealings would be about the manner of its departure. Page 24; Clinton's least worst option, Page 9

Montedison back in the black: Italian industrial company Montedison, recovering from near-collapse last year, reported interim pre-tax profits of L289bn (\$185m), compared with a loss of L389bn in the first half of 1993. Page 11

£3m NHS payments questioned: UK health authorities may have exceeded their powers by spending nearly £3m (\$4.65m) on termination payments for employees, comptroller and auditor ganeral Sir John Bourn said in a report on National Health Service accounts. Page 24

The London equity mar-ket fell sharply following

the release of unexpect-

edly strong data on the

US economy. The FT-SE 100 Index ended the day

3,065.1, its largest daily fall since mid-June. The

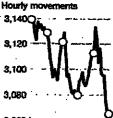
Footsie has fallen nearly

47.6 points down at

Footsie suffers largest fall since June



erthanke



2.4 per cent this week as the first rise in base rates for nearly five years has left the UK bond markets 12 Sep 94 still vulnerable to shocks from overseas. London

stocks, Page 15; Editorial Comment, Page 8; Lex, Page 24 UK advice sought on privatisation: Saudi Arabia and South Africa have asked the UK for

advice on privatisation programmes that could generate big fees for British companies. Prime minister John Major begins a five-day visit to the two countries and Abu Dhabi tomorrow. Page 6 EU to move slowly on textiles accord: The

European Union, the world's largest textiles and clothing importer, appears ready to take only token steps to open its market when it starts implementing a Uruguay Round accord to liberalise trade in the products. Page 2; Boost for Brussels aim of controlling EU trade policy, Page 24

Harrods prepares shoe retailer for market: Harrods Holdings, the group owned by the Fayed brothers which includes Harrods department store in London, is preparing its shoe retailer subsidiary Kurt Geiger for a stock exchange flotation. Page 10

Palestine economics chief may quit Ahmed Korei, economics minister in the Palestinian authority running self-rule in Jericho and the Gaza Strip, said the fragile autonomy process was starved of international aid, and indicated he might resign. Page 4

Hurd calls for better Hong Kong Ilaison: Foreign secretary Douglas Hurd said Britain and China needed to be "imaginative" in improving the machinery for discussing the colony's reversion to Chinese sovereignty in 1997. Page 4

Lex group seeks to raise Hyundai sales: UK vehicle distribution group Lex Service is spending COm (\$31m) on seeking to increase the share of the UK market for Korenn carmaker Hyundai, whose import franchise it controls with Japanese vehicle importer IM Group. Page 7

Legal threat over export subsidies: NCM. the Dutch company which is Britain's largest short-term export credit insurer, is considering legal action over the European Commission's plans to tighten curbs on government subsidies to export

Time Warner in Indian TV venture: US media and entertainment group Time Warner is forming a joint venture with RPG Enterprises, one of India's largest industrial houses, to set up a pan-Asian satellite-based television network in India. Page 11

Korean companies set for NYSE listing: State owned South Korean companies Pohang Iron and Steel and Korea Electric Power are expected to be listed on the New York Stock Exchange next month, Page 11

Sweden's Social Democrats hold lead: Sweden's opposition Social Democratic party appeared to be heading for a narrow win over a four-party right-centre coalition in tomorrow's general election. Page 2

Barclays plans phone banking service: Barclays Bank is to launch a national telephone banking service for personal UK customers which will be integrated with its branch network. Page 7

10 Hyundai

Aran Energy 10 Keller Basley (CH) 10 Lasmo 10 MEPC 11 Bruntettle 10 Macation-Glenkvet 10 Crean (Jumes) Michand Ind News Fired Earth NCM 24, 10 Goest Next 10

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Sinn Féin challenged to end ceasefire doubts as broadcast ban lifted | Russia set

Major offers referendum on results of Ulster talks

By David Owen and Jimmy Burns

Mr John Major yesterday moved to speed up the Northern Ireland peace process by lifting the government's broadcasting ban on Sinn Féin and challenging the party to end doubt about the per-manence of the IRA's ceasefire. But the prime minister balanced this with a commitment to

ical talks to a referendum inside the province. And he gave his clearest assurance yet to unionists that last month's ceasefire announcement was not the result of a secret deal, insisting: "The cessation of

submit the final outcome of polit-

violence has not been bought". Separately, Sir Patrick Mayhew, Northern Ireland secretary, ordered the re-opening of 10 Ulster border crossings. Mr Major said this was "emphatically not a political decision" and was taken

on security grounds. The abolition of the broadcastSinn Féin's representatives will be heard on Britain's airwaves for the first time in almost six

Mr Major's attempt to regain the initiative follows mounting pressure from Dublin and Ulster nationalists over the past two weeks for him to respond more positively to last month's IRA

Mr Albert Reynolds, the Irish Prime Minister, welcomed the moves announced by Mr Major and indicated that a similar referendum would be held in the Irish Speaking in Belfast, Mr Major

sought to put the onus for starting the countdown to Sinn Féin's involvement in the talks process squarely on republican leaders. But the prime minister made it clear he was still not satisfied the IRA had renounced violence permanently. Britain has promised to start talks on how to admit Sinn Féin into the ing ban means that the voices of political process within three



Leading the way: John Major, with Sir Patrick Mayhew (right) at Stormont castle yesterday

months of a permanent end to

violence. The government would "go on scrutinising both words and actions until...we can sensibly make the assumption that the IRA truly intend to end violence

for good," he said. The date on which the three-month period started was "in Sinn Féin's hands."

But in Londonderry last night, Martin McGuinness, the deputy leader of Sinn Fein refused to be drawn into declaring the IRA's ceasefire permanent. Instead he repeated his earlier comment that the IRA's ceasefire covered

"all circumstances".

In a clear attempt to reassure unionists, Mr Major sald his commitment to a referendum meant it would be for the Ulster electorate to decide whether to accept any package of proposals emerging from political talks.

"My commitment means that no one can go behind your backs," he said. "It will be for you to decide."

In recent months, ministers have come around to the view that the broadcasting ban had become a weapon for critics of the government, but they were anxious not to antagonise moder-

ate unionists and Tory backbenchers by lifting it prema-

Yesterday's announcement comes eight months after Dublin lifted its broadcasting ban on Sinn Féin, and a day after the first full meeting of the British cabinet since the summer.

Meanwhile Mr Reynolds, on a

visit to Hong Kong, said the British and Irish governments were considering the formation of a new, cross-border tourism organisation to carry out the work of the Irish Republic's Bord Failte and the Northern Ireland Tourist

indicators looked at by Fed gov-

ernors when assessing their mon-

etary policy, and August's higher

argue for an earlier interest rate

to decide dangerous next step in reforms

By John Lloyd in Moscow

The Russian government is poised to decide on the next and most dangerous step in its threeyear old reform process. Going thead would mean launching a full attack on inflation, closing many obsolete factories and starting to create a working social security system - with the aid of up to \$18bn (£11.6bn) provided through the International Monetary Fund.

The scale of the transformation now being debated in the government and with IMF experts would be larger than anything yet attempted and would risk creating social unrest and political instability. However, it could also reduce

Russian inflation - which was running at 4 per cent in August to west European levels and provide the basis for sustained growth for the first time in more than a decade.

The government's ambitions are partly revealed in an article in today's Sevodnya newspaper by Mr Konstantin Kagalovsky, the Russian director on the Fund's board. Mr Kagalovsky, whose article was approved by Mr Victor Chernomyrdin, the prime minister, lays out requests the government is already mak-ing to the IMF and other western institutions or plans to make at the annual IMF meeting in Madrid early next month.

Though Mr Kagalovsky does not total them, they would amount to \$15bn-\$20bn. If agreed, it would be a massive commitment to one country and to a government's agreement to believed to be one of the main

It would also increase criticism that the Fund is already relaxing its criteria too much in Barlier this week. Mr Mark Lusser, head of the Swiss National Bank, warned that the IMF risked "financial and moral ruin" if it continued to waive its

normally strict conditions. The Rossian government wants to increase its "stand-by borrowing facility from \$4bn to over \$5bn by raising the percentage of the \$6bn quota it can borrow from 68 per cent to to 90 per

Continued on Page 24

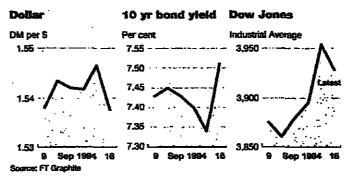
Markets fall on fresh US inflation fears

By Tracy Corrigan in London and George Graham In Washington

Further signs of inflationary pressures in the US triggered

and stock markets yesterday IIS industrial capacity utilisation rose to its highest level for more than five years at 84.7 per cent in August, threatening production bottlenecks and higher prices. The new figure renewed fears of further interest rate rises in the US and other markets. The US long bond slid 1% points, dragging European bond

prices down sharply. On stock markets, the Dow Jones Industrial Average dropped 25 points in morning trading in New York. The UK's FT-SE 100 and Germany's Dax both fell 1.5 per cent. It was a collapse waiting to



international bond analyst at Citibank in London. European bond prices, which have found it extremely difficult to "de-couple" from the US market following the reversal of the US interest rate cycle in February, had been

happen," said Mr Michael Burke, under pressure all week, traders Inflation worries also undermined the dollar, which was

quoted at DM1.5350 in late trading after trading above DM1.55 earlier in the day. Sterling was a beneficiary of the dollar's weak-

ness, touching a 16-month high of months. Capacity utilisation is \$1.5870 before slipping below \$1.58 in late trade. The UK gilts market, still digesting Monday's 1/4 point rise in bank base rates, public sector borrowing requirement reached £3.2bn, substantially higher than market expectations, reviving worries about potential funding difficulties. Meanwhile, interest rate con-

cerns and weak bond markets were seen capping any potential recovery in share prices.

The Federal Reserve said that US industrial production rose by 0.7 per cent in August, and announced upwards revisions to production in the three preceding

"We expect the Fed to tighten short-term rates another 25 basis points in mid-October," said Mr Joseph Liro, an economist with investment bankers S.G. Warburg in the US.

move.

Disappointment at £3.2bn budget deficit, Page 6; Currencies, Page 13; London stocks, Page 15; World stocks, Page 21; Lex. Page 24; Markets, Weekend II



There's no guestion about the current potential of the Japanese stockmarket. Interest rates ore at record lows and could decline still further. And falling corporate profits are generally suppressing share

However, in such conditions, the ability to identify the correct stocks is all the more important.

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Major pledges lottery awards will not replace public spending

The strongest assurance yet was given by the prime minister yesterday that the billions of pounds to be raised by the National Lottery for good causes would not replace government spending.

Mr John Major told the English Heritage Conference in London: "On the government's side – Treasury, please note - we will make no case-by case reductions on conventional public spending programmes to take account of

awards from the lottery." The lottery, due to be launched on November 19, could raise £9bn for good causes over the next six

tery will not replace existing government spending," Mr Major emphasised in response to a long

nding fear. He envisaged that the lottery. to be run by the Camelot consortium, would mainly aid capital schemes. "Projects must benefit primarily the public good rather than private gain, and must be

financially viable," he said. The prime minister said that every man and women in the UK could benefit from the lottery proceeds and not just "the great and the good". He was determined that the whole country

would share in the opportunities

"The money raised by the lot- leged few. "I strongly believe man cannot live by GDP alone. the prime minister said. The money raised by the

National Lottery will go equally to the arts, charities, a millen-nium fund, the national heritage and sports. Mr Major said the designated distributing bodies would decide where the money would be spent and the money would not be under government control. Ms Mariorie Mowlam, shadow

National Heritage secretary, said yesterday she was still worried that some ministers would have few qualms about using Lottery Continued on Page 24

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Well Street Serious Investors Guide

LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO

© THE FINANCIAL TIMES LIMITED 1994 No 32,474 Week No 37

By Guy de Jonquières, Business Editor

The European Union, the world's largest textiles and clothing importer, appears set to take only token steps to open its market when it starts implementing a landmark Uruguay Round accord to liberalise trade in the products from the start of next year.

Though permissible under the Uruguay Round, the approach currently favoured in Brussels was described by one European government official day as "against the spirit of the Gatt "

The Uruguay Round agreement brings textiles and clothing for the first time under Gatt rules and commits the body's members to eliminate by 2006 the Multi-Fibre Arrangements, which tightly restrict the \$240bn (£154bn) annual world trade in the prod-

Under the deal, countries have to subject at least 16 per cent of their textiles and clothing imports to Gatt disciplines in the next three years. This is the first of three phases in the planned dismantling of the 20vear-old MFA.

However, the Commission is proposing - with apparent hacking from most EU states to carry out this commitment in a way which would leave the range of products covered by MFA quotas virtually

unchanged until 1998. The Commission plans to do this by subjecting to Gatt rules products which are mostly exempt from MFA quotas. Many will be chosen from a list which includes items such as hats, umbrellas, car seat belts and parachutes, but excludes mass-market products such as cotton garments. The EU imported about \$51bn of textiles and clothing products in 1992, mostly from developing

The World Development Movement, a Third World lobby group which has analysed the Commission propos-

Social Democrats' lead narrows as poll looms

als, estimates they would result in the EU lifting restric-

tions on only 0.1 per cent of

products on which it imposes

quotas. It said the EU's move

was "a travesty" of the agree-

pressing for a more liberal

approach but are strongly

EU members, which have politically powerful textile industry

Gatt members must submit final proposals for implement ing the accord to the organisa-

tion by October 1. The US

which also has many textile

quotas, has yet to announce

lobbi

MFA quotas.

osed by southern European

ment to phase out the MFA. Britain, Germany, the Netherlands and Denmark are

By Hugh Carnegy In Stockholm

Sweden's Social Democratic Party appeared yesterday to be heading for a narrow win in tomorrow's general election, but a victory that once seemed assured has been thrown into some doubt by a steady fall in its opinion poll ratings in the

past two weeks. Yesterday, a clutch of polls indicated the balance between the opposition Social Democrats, the country's largest sin-

gle party, and prime minister Carl Bildt's four-party rightcentre coalition was finely

One poll showed the government parties leading the Social Democrats by 43.9 per cent to 40.4 per cent.
Although the coalition

trailed by up to five points in three other polls, the results were enough to give Mr Bildt some hope of defying the months-long predictions of a Social Democratic victory in

With pollsters reporting as many as 16 per cent of voters still undecided, much was thought to depend on the outcome last night of a marathon three-hour television debate involving the leaders of all eight parties contesting the

However, a tough obstacle facing Mr Bildt in his push for a last-minute victory was the near certain return to the Riksdag of the Environment party, which failed to get elected in 1991.

runist Left party also holds its place in parliament, the present coalition would be far short of a parliamentary majority even if it constrips the Secial Democrats.

That makes Mr Ingvar Carlsson, Social Democratic leader, the continued favourite to form the next government, despite a lackinstre campaign in which he has appeared alternately complacent, tired and afraid. He is likely to seek an alliresent part of Mr Bildt's coalition, to avoid being dependent on the left and the greens for a

The Social Democrats held an opinion poll rating of more than 50 per cent as little as three weeks ago, but have been slipping since they unveiled a SKr61bn package of tax increases and spending cuts to tackle the country's big budget deficit and

growing government debt. They have lost votes heavily to the Left party and to the Environment party, apparently among public sector workers

spending.
But they have also begun to lose some votes to government parties both over their plans to raise income taxes and a spe cific proposal to cut some benefits to parents taking time off work to look after sick chil-

anxious about the party's com-

mitment to cut some welfare

Heracles mixes politics with the cement

Kerin Hope on the political fallout after former prime minister Mitsotakis' indictment for bribery

he travails of Heracles General Cement, Greece's leading producer and Europe's largest exporter of cement, have all the makings of a modern

Greek myth. Thursday's indictment by how it plans to meet its Gatt parliament of Mr Constantine Mitsotakis, the former conser-But President Bill Clinton vative prime minister, on charges of taking a \$22.5m has said it will not move quickly to lift curbs, and many US textiles producers and (£14.4m) bribe in the sale of the state-controlled cement proimporters believe his administration will adopt an approach ducer in 1992 to Calcestruzzi of similar to that of the EU. Italy, underlined the extent to which Heracles has become Countries which do not remove MFA quotas will noneentangled in politics over the

theless be required by the Gatt past decade. to gradually lift ceilings on Earlier this year, Mr Michimports covered by the restric-tions. Japan and Switzerland alis Vranopoulos, former governor of the National Bank and the government's main negotiare the only industrialised countries which do not impose ator in the disposal of Heracles, was assassinated by Though heavily influenced by domestic political motives, November 17, a Greek terrorist group, for his part in the sale.

charges were dropped.

Now Mr Mitsotakis, an oppo

tough EU and US attitudes are The privatisation of Heracles partly intended to press develhas proved just as controveroping countries to open their sial as its nationalisation in 1983 by Greece's first socialist government. At that time, Mr textiles and clothing markets. Officials in Geneva say the two trade powers are co-ordinating George Tsatsos, the company's their efforts closely. chief executive, fled Greece Under the Uruguay Round, together with other family most developing countries are members on the board of direcrequired to lower the often tors to avoid facing charges of punitive tariffs they impose on criminal fraud that in theory imports. However, India and carried the death penalty. Most

so far balked at liberalising sition backbencher, faces trial by a special criminal court. their import regimes. Producers in the US and Two other conservative former Europe believe that they could cabinet ministers involved in sall large volumes of clothing the Heracles disposal. Mr Andreas Andrianopoulos and to middle-class consumers in India and Pakistan if they had Mr Ioannis Paleocrassas, were also indicted by parliament, on freer access to their markets.

Pakistan, two of the world's

leading textiles exporters, have



Mitsotakis: bribe charge

breach of trust charges, and will be tried at the same time. Mr Andrianopoulos, who as industry minister was the conservative government's keenest exponent of privatisation. said yesterday: "The whole procedure of the parliamentary inquiry has been absurd. This is enough to drive me out of politics.

On the Athens stock exchange, shares in Heracles, depressed by a prolonged recession in the Greek construction industry, picked up 1 per cent as the indictment procedure neared completion. Nor have the company's results been affected by political, an allegation accompanying wrangling. Last year Heracles posted a 4.2 per cent increase



Poles clash over price of success

Christopher Bobinski on the wrangling over rising money supply

in pre-tax profits last year to Dr7.3bn (£19.8m), while turnover was up by 11.7 per cent to Dr71bn. It retains a share of around 42 per cent in Greece's increasingly competitive cement market.

The conservatives' view is that Heracles has become a political football as the governing socialists seek revenge on Mr Mitsotakis for bringing Mr Andreas Papandreou, then the opposition leader, to trial in 1991 on corruption charges connected with the \$200m (£128m) Bank of Crete embezdement scandal

Mr Andrianopoulos rejects the indictment that Heracles was sold too cheaply, pointing out that at \$425m, the price was at the high end of a series of valuations carried out by Morgan Stanley, the invest-

Doland's steep growth curve coupled with

has the country's economic managers straining to catch

their breath and has led the

government and the NBP, the central bank, into an unprece-

dented public clash over how best to deal with the resulting increases in the money supply.

The row comes in the wake

of government suggestions that the bank should be given an advisory council nominated

by politicians. The bank's

redoubtable chairman, Ms

Hanna Gronkiewicz Waltz,

fears that this will lead to a

curtailing of the NBP's inde-

pendence. The government would also like to see the

bank's supervisory functions

hived off into a separate inde-

pendent body.

Matters came to a head ear-

lier this week when the NBP,

reserves, slowed the rate at

which the sloty is devalued

each month to keep exports competitive from 1.6 to 1.5 per cent. The move angered Mr Grzegorz Kolodko, the deputy

premier in charge of the econ-

omy and finance minister, as the bank failed to make the 1

per cent cut in its 33 per cent

refinancing rate the govern-

concerned about the growth in

inflows of foreign capital

ment bank acting as the government's adviser in the sale. Mr Mitsotakis and his conservative colleagues were also held responsible by the parliamentary committee investigating the sale for the disappear ance of a number of paintings, part of Heracles's large collection of modern Greek art, from

the boardroom suite.

Yet whatever the shortcomings of the sale, the Greekstate managed to hold on to a substantial stake in the company, as Calcestruzzi formed a joint venture with the statecontrolled National Bank of Greece, Cal-Nat, in order to acquire Heracles, in which the bank holds a 68 per cent share. Heracles, founded by the Tsatsos family before the first world war, expanded rapidly in

the late 1970s, opening a sec-

Kolodko: angered over slowing of zloty devaluation

cost of servicing the public

The protagonists later pub-

licly traded arguments in par-

liament, with the government

charging that the bank had exceeded its prerogatives when it took the devaluation deci-

sion without getting treasury agreement. Ms Gromkiewicz

Waltz replied that inflationary

pressures meant action had to be taken quickly and interest rate cuts would have to wait.

holdings still further, and new management was appointed by the government. By the tate 1980s, however; Heracles was making sizeable

profits again. As the largest

water port on the island of

North Africa.

companies in the conservatives? privatisation portfolio, it was an attractive buy. One local analyst said: "Cal-cestruzzi needed a cement sup-

Euboea and increasing its fleet of bulk carriers to help boost exports to the Middle Bast and But the company borrowed ply to back up its ready-mix heavily to finance its new and construction equipment stments, while profit marleasing business. It had covgins were shrinking. By the time the Socialists decided to eted Heracles for some time. building up a shareholding from the free float well before ationalise Heracles, its share the company was put up for apital to debt ratio was 1 to

Moreover, the Tsatsos family However, Heracles did not controlled only 20 per cent of escape being drawn into the Ferruzzi group's own political troubles, through a series of the shares, against 35 per cent for National Bank. A total of allegations that the Greek com-Dr27bn in debt was converted to equity, diluting the Tsatsos pany was used as a channel for pay-offs made to Italian politi-

> Italian magistrates have been in touch with the Greek judiciary over this and have questioned several Perruzzi

FINANCIAL TIMES

FT EXPORTER



FT EXPORTER: Autumn Issue - October 5th

The latest issue of the FT EXPORTER, Europe's leading export review will appear with the Financial Times throughout the UK and the Continent, on October 5th. Packed with advice,

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information and case studies the FT Exporter is a "must read" for all current or potential exporters.

largest short-term export credit insurer, is considering legal action over the European Commission's plans to tighten curbs on government subsidies to export finance.

campaign to secure changes in the proposed regulations, which, it is feared, would unfairly penalise British credit insurers and experters. Mr Colin Foxall, NCM's managing director, has written to Mr Karel Van Miert, the European competition commissioner, saying that part of the draft EU regulations on short-term credit insurance could give rise to a legal challenge.

President Lech Walesa, who nominated Ms Gromkiewicz Waltz to the Central Bank, has also weighed in. Tim not an economic expert but I think it is Ms Gromkiewicz Waltz who ment wants to see to lower the is in the right," he said.

cal dimension. The present is a coalition of the former communist SLD and the PSL Farmers Party, once allied to the communists. The presi-dent, who shares a Solidarity background with Ms Gromkiewicz Waltz, faces an election next autumn. "I hope that we are dealing with nothing other than a dispute about economics," said Mr Kolodko in parliament on Thursday, hinting that opposition to interest rate cuts could be

The statement adds a politi-

aimed at slowing growth.
Indeed the coalition desperately needs growth to continue keeping the budget deficit within the tight parameters pledged to the IMF in return for a \$800m (£511m) standby accord. Equally important for the coalition is the need to bolster its support ahead of the presidential election.

Happily for the moment the economy is set to grow by 4.5 per cent this year, with industrial output up by 12.8 per cent in the first eight months. Also monetary flows and indicators are all on target, which shows that both the treasury and the NBP are within IMF guide-

However, foreign reserves

receipts from cross-border trade and growing foreign trade. Exports in the first half of the year are up by 15 per cent to \$7.7bn, with imports in the same period actually falling by 1.4 per cent to \$9.5bn compared to the same period

'ted to around \$11bn because of

This performance owes much to the recovery in neighbour-ing Germany - which accounts for a third of Polish sales abroad - and to east Germans shopping in Poland. The reserves have also been boosted by traders and tourists from the former Soviet Union buying consumer goods to sell at a profit at home.

It is the swelling reserve and mounting corporate bank balances from growing sales and productivity gains that are have provoked the stalemate on interest rates...

Western bankers, who have just signed an accord cutting Poland's \$14bn commercial debt by almost half, remain sanguine. Ironically as the country struggles with the effect of growing capital inflows, the deal which reduces Poland's overall indebtedness to \$38bn should lead to foreign investment worth an additional \$1bn a year.

Reinsurance row grows with talk of legal action

NCM, the Dutch company which is Britain's

The possible action is the latest twist in a UK

NCM is concerned by the assertion that UK. government financing of a small part of the country's reinsurance exposure constitutes a state aid and is therefore anti-competitive. Britain and NCM have insisted that the

ancing, through the Export Credit Guarantee Department, is available purely on a contingency basis to cushion against the risk of

sudden shortages of reinsurance capacity. The government also argues that the UK's forms of its reinsurance market have brought it closer than any other EU member to the free-market operation which the commission's proposed rules are intended to encourage.

The UK says the current proposals could lead either to the complete withdrawal of government support, threatening the stability of the reinsurance market, or could increase

the scope for government subsidy.

Mr Van Miert is sympathetic to these arguments. He agreed last July to delay publication of the final rules until this autumn while the commission tried to accommodate the UK's objections.

However, it is understood the commission is still not prepared to do more than offer the UK a waiver from the rules until 1997. Strasse 32, 63263 New-Isenburg (council by Hürriyet International), ISSN: It is ideal in the Financial Times (Europe) GubH are: The Financial Times (Europe) Ltd. London and F.T. (Germany Advertising) Ltd. London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SEL 9HL. The Company is incorporated under the laws of England and Walex, Chairman. D.C.M. Bell.

FRANCE: Publishing Director: D. Good, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0621, Fax (01) 4297-0629, Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100, Roubaix Cedex I, Editor: Richard Lambert. ISSN: ISSN: 1148-2753. Commission Parliaire No 67806D. DENMARK: Financial Times (Sci





Japanese chip market opening

The office of US trade representative Mickey Kantor revealed that foreign manufacturers accounted for a record 21.9 per cent of the Japan's computer chip market in the second quarter after 20.7 per cent in the first. This marked the third straight quarter that the foreign share of Japan's semiconduc-tor market topped 20 per cent - the level set as a goal in the controversial US-Japan microchip pact. In 1993, foreign companies accounted for 19.4 per cent of the \$24.7bn (£15.9bn) market for microchips, used in everything from cars and computers to high-tech toys. The quarterly semiconductor data are closely watched as one harometer of fragile US-Japan ties. Mr Kantor watched as one narometer of fragile up-sapan files. In manual welcomed the rise in foreign chip sales in Japan, but warned against complacency. The report came as Tokyo reported that although Japan's vast trade surplus shrank sharply in August, its surplus with the US rose to \$3.49bn from \$3.42bn a year

Move on S Africa exports

South Africa has announced plans to restructure its controversial R2bn (£285m) a year General Export Incentive Scheme from next April and will scrap it completely by the end of 1997. Under the new cabinet-approved plan, all subsidies currently paid out to exporters under GEIS will be phased out over three years. The planned cuts are broadly in line with recommendations by the National Economic Forum, a tripartite group tions by the National Economic Forum, a tripartite group incorporating representatives from business, government and labour, but have been strongly opposed by the paper and iron and steel industries. The moves follow tariffs cuts on various imported goods announced last month and are part of a sustained effort by the government to increase the competi-tiveness of local industry. GEIS was introduced five years ago as part of a programme to wean South Africa from its overde-pendence on primary commodity exports by offering a wide range of subsidies for the export of manufactured goods. Mark Suzman, Johannesburg

Spain may ease bond curbs

The Bank of Spain said yesterday it was studying a relaxation of its strict accounting regulations on bond portfolio provision-ing by domestic financial institutions, in a move that should sharply increase home demand for government paper. Pressure for easier rulings has come from both the domestic banks, which have suffered losses in their trading operations this year, and from the treasury, which is becoming concerned over net medium- and long-term bond sales by non-residents. Government paper held by Spanish banks in active trading portfolios currently has to be marked to market on a monthly basis and losses must be fully provided. The regulations are less aggressive for bonds held in investment portfolios but are also considered to be more stringent than those imposed by other central banks. *Tom Burns, Madrid*

French ministry waste criticised

A confidential report by an Independent Court of Auditors has criticised the French foreign ministry for waste, bad accounting and steeply rising costs. However, the foreign minister, Mr Alain Juppé, maintained that the report referred to the period before his appointment, blaming his Socialist predecessor. The report, leaked to the weekly magazine L'Express, said the costs of official travel and the receipt of visiting VIPs by the French president and prime minister soared from FFr81.5m (£9.8m) in 1987 to FFr391m in 1991 before falling to FFr185m in 1992. In its defence, the foreign ministry said that while these costs were part of its budget, it had no control over travel by the president or the prime minister. The report concluded that large amounts of cash were unaccounted for, and that the ministry had no central supervision or computer records of payments

West snubs Russian proposals

A widening gap between Russia and the west over security structures in Europe was left unbridged by talks in Prague yesterday intended to prepare for the December summit of the Conference on Security and Co-operation in Europe (CSCE). Russia wants to establish a 10-nation CSCE steering commit-tee modelled on the UN Security Council, able to issue mandates for peace-keeping operations. At the Prague meeting of senior officials from the 53 CSCE member states, most western officials flatly rejected the Russian proposals on the grounds that they would diminish the status of Nato. In a separate dispute, Russia wants maximum freedom of action for its military activities in the southern republics of the former Soviet Union, while western countries are reluctant to give Moscow carte blanche. Bruce Clark, Defence Correspondent

Ukraine delays N-treaty vote

Striking a blow to US nuclear disarmament efforts, Ukraine will not accede to the Non-Proliferation Treaty (NPT) this year, said the country's parliamentary chairman, Mr Alexan-der Moroz. He indicated a vote would not come until January, adding: "We cannot be indifferent to the NPT's shortcomings." Ukraine has been pressed by the West formally to declare itself a non-nuclear state under NPT, and President Leonid Kuchma was expected to ask parliament to vote on the treaty Ruchma was expected to ask parnament to vote on the freaty next month. But Mr Moroz's opposition makes that unlikely. Ukrainian leaders complain that the US has delivered less than \$10m (£6.4m) of \$350m promised for dismantlement as part of a January agreement to deploy Ukraine's nuclear arsenal to Russia. They say the US keeps moving the target for smooth relations and economic aid, from the January agreement to the NPT. Motthew Kaminski, Kiev

Hope for Peru bank debt talks

Creditors to commercial banks in Peru are set to re-open formal negotiations regarding the restructuring of \$7bn of commercial bank debt, a senior banker said yesterday. Mr William Rhodes, vice-chairman of Citibank, which heads the country's bank advisory committee, is to meet Peru's minister of the economy around the time of the International Monetary Fund's Madrid meeting early next month. The way for reopening talks has been cleared by a recommendation from a Peruvian congressional committee this week that loans made by two US banks – American Express and Chemical Bank – should be recognised. Peru's Congress is expected to discuss the recommendation on the loans next week, and the committee's view is expected to have a strong bearing on the decision. The two banks claim some \$36m, as well as perhaps twice that amount in unpaid interest. The loans were repudiated by the 1985-90 government of Mr Alan Garcia. Stephen Fidler, Lotin

US blocks extradition

A US federal judge blocked the extradition of an escaped Irish Nationalist and ordered his immediate release. James Joseph wattonanst and ordered his immediate release, sames seeph Smyth escaped from Northern Ireland's Maze prison in 1983, during the biggest jailbreak in British history. US District Judge Barbara Caulfield rejected the extradition request after finding that Smyth would be punished on the basis of his political opinions if returned to Northern Ireland. Smyth, 40, was released without ball. Federal prosecutors representing the British government are expected to appeal against the decision. Reuter, San Francisco

CEPA Indonesian power deal

Consolidated Electric Power Asia, a unit of Hong Kong's Hopewell Holdings, signed a 30-year agreement to sell electricity from a planned \$2bn power plant project to indonesia's state-owned electricity company, Perusahaan Umum Listrik. CEPA plans to build, own and operate two 660MW coal-fired generator plants on the north coast of Java, due to come on stream by 1996. PLN agreed to buy electricity from Panjung Pari at \$7.665 per kW/hour for the first six years, \$7.388 for the six years following that and \$5.988 for the next 18 years.

Manuela Saragusa, Jakarta Subtle media manipulation has helped to boost Cardoso, the favourite in Brazil's election

The candidate and the TV magnate

Angus Foster looks at a real-life election 'novela' that is prompting complaints from opposition

Brazilian TV, better known for cially since the station wanted lously fair in the time it gives screening scantily clad women. is running a strange commercial. Paid for by one of the country's largest construction companies, the advertisement talks of the need for improvements in education and advises viewers to elect a president in next month's elections who

"knows how to teach". The commercial seems a clear attempt to lift support for Mr Fernando Henrique Cardoso, the former finance minister and government candidate. Mr Cardoso was a university professor while his rival, the left-wing Mr Luiz Inácio Lula da Silva, barely finished high school and has a slight lisping accent, which is the target of

middle class derision.
Such support for Mr Cardoso from business and the media has helped consolidate his lead in opinion polls and led to com-plaints from Mr da Silva that the elections are no longer fair. The claim seemed to gain weight when Mr Rubens Ricupero was forced to resign as Brazil's finance minister earlier this month after remarks he made in a private interview were broadcast by mistake.

Mr Ricupero let slip that TV Globo, which is sometimes watched by half the country's 157m people, was using him regularly on programmes as a way of supporting Mr Cardoso. Globo's owner, Mr Roberto Marinho, has not concealed his support for Mr Cardoso, nor his unease with Mr da Sîlva. Mr Ricupero's indiscretion is

embarrassing for Globo, espe-

to regain credibility lost when, in 1989, it helped elect former president Fernando Collor, who later resigned amid corruption charges.

Mr Cardoso's extraordinary rise in the polls, from about 20 per cent in June to more than double that figure today, would not have been possible without the Real, Brazil's new currency launched on July 1. Mr Cardoso planned the new currency when he was finance minister before Mr Ricupero. Monthly

These elections are not as free and fair as we would like'

inflation fell from 50 per cent to 5 per cent, giving poorer wage earners an apparent increase in purchasing power. Mr Cardoso has also benefited from the optimism which has swept Brazil since the currency's launch. This is partly a reaction to 10 years of economic and political bad news. But it has also been manipulated by the media, in a country where only 30 per cent of Brazilians complete eight years of primary school, and where in some states illiteracy is above 40 per cent.

each of the main candidates in its evening news broadcasts. But the station then fills the rest of its reports with feelgood news stories about the success of the Real, thereby lifting Mr Cardoso's credibility

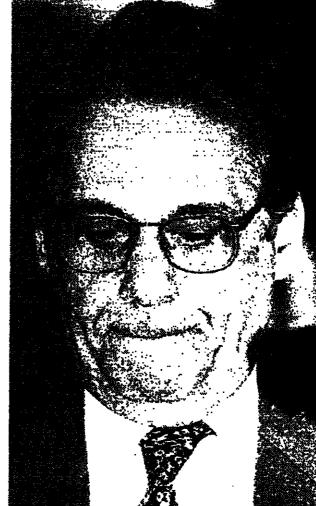
After the news comes the TV "novela", or soap opera. Novelas are extremely popular in Brazil and play an important political role. Globo launched a new novela in July to coincide with the election. Called "Minha Patria" or "My Country", it is an upbeat tale of success and love in a Brazil with a future. This is in sharp contrast to the highly critical vision of Brazil which Globo ran ahead of the 1989 elections,

was campaigning for change.

The support for Mr Cardoso
has prompted complaints from
Mr da Silva's Workers' party. the PT. Pointing out that Mr Cardoso is supported by the government, most businessmen and the media. Mr da Silva said recently: "These elections are not as free and

fair as we would like." The PT complains that media ownership is too closely concentrated in the hands of too few, largely right-wing, people. According to some estimates, nine families - of which Mr Marinho's is the most important - own 68 of Brazil's 71 TV concessions.

But if Mr Cardoso wins the elections as expected, the PT is unlikely to succeed in its efforts to widen media owner-ship. Mr Cardoso's main



Cardoso: backing from business and the media

backer, Mr Antonio Carlos Magalhães, owns the TV Globo franchise in his home state of Bahia, as well as several radio

Cardoso's supporters are unlikely to welcome moves to break their monopoly.

licences. He and other of Mr

Rightwinger wants role for army

"My name is Enéas" is a strange political slogan, but Enéas Carneiro is no conventional politician. Seen by most Brazilians as an unbalanced and slightly ridiculous rightwinger with a short temper, Enéas" – as he is known – attracted 300,000 votes in the 1989 election. This time he will pass the 1m mark, according to opinion polls which give him 4 per cent of the vote. His Party for the Re-edification of National Order (Prona)

is campaigning for a strong and nationalist Brazil, a clampdown on corruption and the purging of all sex from prime-time TV. Eneas, a former army heart specialist, is said to favour a leading role for Brazil's military. When the Financial Times requested an interview to verify these reports, an adviser said: "We don't need the press, especially not the foreign press.

Enéas is a Brazilian cross between Ross Perot and Vladi-mir Zhirinovsky. Prona seems to have support from a small cross-section of Brazilians, some of them profoundly disillusioned with existing politicians and the country's corruption scandals, others who hark back to a "golden age" of stability under the military from 1964 to 1985. At the recent launch of the party's programme in São Paulo, most of the several hundred supporters who attended were well-dressed, young to middleaged apparently conventional people who queued quietly to meet their leader.

Compromise reached in Brazil car industry strike

By Angus Foster in São Paulo

Brazil's car workers are likely to return to work next week after reaching a compromise with the government and manufacturers over an 11.9 per cent

The main unions, which went on strike on Monday, bringing Brazil's important car

weekend whether to return to the form of higher prices. work. But union leaders and manufacturers' representatives are hopeful the dispute is over, and some people returned to work yesterday.

The breakthrough came when the government withdrew from negotiations and said that it would not stand in the way of a one-off pay rise, as industry near to a standstill. long as the increase was are to decide at meetings at the not passed on to customers in

The government is trying to protect its new currency, the Real, from inflation, and argues that car makers can afford to pay for the increase

from recent productivity gains, instead of by pushing up The deal could lead to demands for pay rises from other unions. According to

rules issued at the time of the

only be granted during each union's annual pay round. Since the pay round for the main car unions was not scheduled until April, other workers may now push to speed their claims. A widespread round of wage

Real's launch, pay rises can

increases could weaken the Real, since it would be likely to add to consumer demand. Some economists say demand

is already rising too quickly because of the rapid fall in inflation following the Real's introduction in July.

The strike, which has so far led to lost production of 18,000 vehicles, mainly at Volkswagen, Ford and Mercedes-Benz, seems to have had no effect on the standing of either of the main candidates for next month's presidential election. The government had claimed the strike was politically aimed to undermine its candidate, former finance minister Mr Fernando Henrique Cardoso.

According to a Gallup poll released yesterday, Mr Cardoso remains favourite to win the October 3 race with 43 per cent of the vote.

His closest rival, Mr Luiz Inácio Lula da Silva of the left-wing Workers party, had 22

Havana sees crack in sanctions

Cuba to follow up immigration accord with US

Cuba is quietly intensifying diplomatic efforts to widen what it perceives as a crack in US sanctions following an week ago with Washington.

"The accord in itself is a blow to the US policy of blockade," Cuba's chief negotiator at the immigration talks, Mr Ricardo Alarcon, said on Cuban television on Thursday

Mr Alarcon, president of the island's National Assembly, said the September 9 immigration agreement, which aimed to halt an exodus of illegal refugees fleeing Cuba by sea to the US, showed the US and Cuba could develop a normal relationship in at least one

area: immigration.

Mr Alarcon said the US had encouraged illegal immigration by Cubans in the past to try to destabilise President Fidel Castronian and the past to try to destabilise Pr tro's government, but had now agreed to work with Cuba to stop illegal departures, including air and sea hijacks.

Outlining what else the Cuban government felt it had gained from the talks, Mr Alarcon said they had generated a groundswell of opinion in the US calling for a re-think of US policy towards Cuba and renewed dialogue.

He cited editorials to this effect published by leading US newspapers and public comments by senior congressmen such as Lee Hamilton, President of the foreign relations committee of the House of Rep-

resentatives. Senior US administration officials, however, had repeatedly stressed the talks would deal with the immigration problem and nothing else. But the Cuban government, which says its conflict with the US cannot be solved if the lifting of the US trade embargo is not discussed, is clearly hoping to capitalise on the publicity generated by the talks to keep attention focused on the embargo issue.

Mr Alarcon said a fundamental point of disagreement had been the US failure to lift additional sanctions on Cuba imposed by US President Bill

placed restrictions on hard cur-rency remittances sent by Cuban-Americans in the US to relatives in Cuba, as well as reducing flights between the two countries and visits by

family members.

Mr Alarcon said these latest sanctions were intended to appease the right-wing sector of the Cuban exile community in Miami, which strongly opposed any direct dialogue. But the measures were hurting Cuban-Americans in the US as much as Cubans on the island, he said.

Although the outcome of the immigration talks had been encouraging, Mr Alarcon made clear he did not consider that

The Cuban government is hoping to keep attention focused on the embargo issue

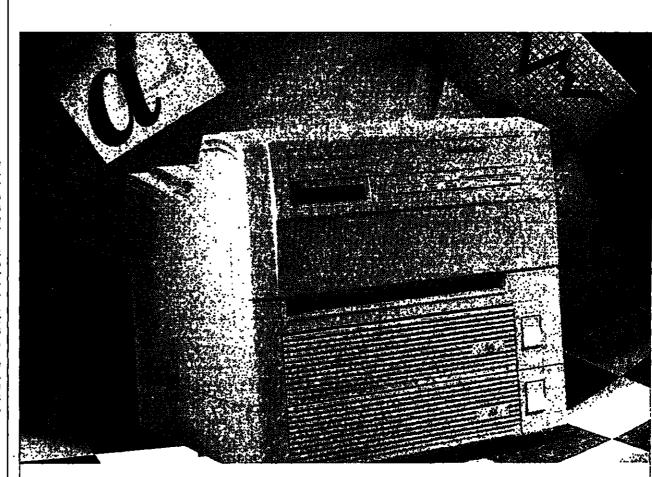
pute was imminent.
He rejected US demands for Cuba to change its one-party political system, improve human rights and reform its

centrally-run economy. "We are being generous enough in saying we are willing to discuss the embargo. It should be lifted. Full stop," he said. He cited an existing UN Gen-

eral Assembly resolution con-demning the US embargo against Cuba and calling for it to be lifted. Under the September 9 immigration accord, Washington

said it would allow a minimum of 20,000 Cubans to migrate legally to the US each year. In return. Cuba moved to halt illegal departures by Cubans to the US following the exodus of around 30,000 Cubans by sea over the last six weeks.

The progress of the accord will be reviewed at talks to be held no later than 45 days after



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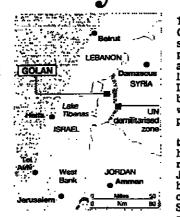
Israeli premier set to drop election pledge in order to win peace deal with Syria

Rabin ready to return entire Golan Heights

t the height of a stormy Knesset debate this the Golan Heights, Mr Uzi Landau, a hardliner from the main opposition Likud party, declared bluntly from the podium that Israeli premier Yitzhak Rabin was "a liar".

When seeking election two years ago, be recalled, Mr Rabin had promised never to sanction Israeli withdrawal from the entire Golan Heights. Yet now, Mr Landau charged, Mr Rabin was planning exactly that: a full pull-out in exchange for full peace with

Sitting in the front row of the hall, Mr Rabin flushed a deep red, and turned furiously to Mr Benjamin Netanyahu, the Likud party leader, demanding that Mr Landau be condemned for branding him a liar. Mr Netanyahu grinned, and retorted that he would be happy to condemn Mr Landau in the strongest terms "as soon as you convince me that you're



Mr Rabin had no answer for that: he stood up and, without another word, stalked out of

The lesson from this extraordinary exchange is plain: Mr Rabin has indeed changed his mind and his policies. The man who just two years ago said, and believed, that to abandon Golan was severely to under mine Israel's security, now thinks differently.

Privately, and anonymously. some of his aides are confirming what Mr Rabin's Likud critics and the leaders of the

Golan have been saying for several weeks now: that the a peace treaty with Syria, the last and most implacable of Israel's former ring of neighbouring antagonists, to be worth the price of a complete Mr Rabin has said nothing

too explicit in public, but he has been dropping hints. In recent interviews marking the ewish New Year, he expressed his firm hope that an accord could swiftly be reached with Syria, despite the "painful compromises" he knew would be involved. Earlier this month, he unveiled a simplified peace formula - providing for an initial "slight" Golan withdrawal, to be followed after three years of normalised relations by a "substantial" pull-out. Crucially, cabinet sources stress, he did not rule out a complete withdrawal.

And when, a few days later. Syrian President Hafez Assad responded with a speech to his parliament, intimating that Syria was ready for full relations with Israel provided the

Rabin and his ministers reacted positively. An old equation; a newly upbeat

Just over a year ago, Mr Rabin departed from a policy he had endorsed for decades, and grudgingly stretched out a hand to welcome the Mr Yassir Arafat, leader of the Palestinian Liberation Organisation, into the peace process. Now, his aides indicate, he has made another strategic policy departure, abandoning his insistence on retaining at least part of the

Why has the prime minister - who as chief of staff in 1967 oversaw the capture of the Golan Heights - changed his position, flying in the face of his own Labour party plat-Mr Yoel Marcus, a veteran

observer of Mr Rabin who writes for the respected Ha'aretz daily newspaper, put it sim-ply yesterday: "He has come to the conclusion that peace without the Golan will contribute more to Israel's security than the continued retention of the Golan without peace."

Three dozen Iraqi Scud missiles during the Gulf war

taught him that land is not the peerless security asset it once was. And with Egypt, the PLO mediation trips. His boss, sec retary of state Warren Christopher, is expected next month retary of state Warren Christo pher, is expected next month. By the end of the year, says and Jordan on board, a deal with Syria - and the accord with Lebanon that would auto-Israeli army chief of staff Ehuc Barak, believed to be one of matically follow - would give the very few aides directly Israel peace on all frontiers. At 72. Mr Rabin is nearing the end involved with Mr Rabin in the secretive peace manoeuvrings with Damascus, "we could well be in the midst of negotiations of his political career, a treaty

with Syria. crowning achievement. However, at present, the prime minister does not even Mr Rabin has pledged that, when the final deal is drafted, have his whole party, let alone assuming it involves signifithe country, behind him. Mr Avigdor Kahalani, a

with Damascus would be a

even a partial withdrawal.

cant territorial concessions, he will hold a referendum. Labour backbencher who, as a As things stand today, he battalion commander, was one of the heroes of bitter fighting would lose, but he will doubtless utilise the next few months to prepare the Israeli on the Golan in the 1973 war, is defying Mr Rabin by leading a public for the bitter pill of complete withdrawal, seeking to bipartisan campaign against withdrawal. A group of Golan residents are several days into sweeten it by persuading President Assad to come to Jerusaan anti-withdrawal hunger lem or at least meet him for a strike. And an opinion poll smiling eve-of-referendum published this week indicated that fewer than 50 per cent of After all, if President Assad

wants the entire Golan Heights the electorate are ready for back, it is he, not Mr Rabin, But these are early days. Mr who will have to play the main Dennis Ross, the US Middle role in persuading a sceptical East peace talks co-ordinator. Israeli electorate of the virtues is due in Israel next week for a of the full-withdrawal-for-fullseries of Jerusalem-Damascus peace equation.

Japan savings · bank in £9bn exchange loss

Japan's postal ministry. custodian of the world's largest savings bank, has revealed foreign exchange losses of at least Y1,374hn (£9bn) caused by the rise in the Japanese currency.

The shortfall, on the yen value of overseas bonds and shares bought by the postal savings bank and the postal life insurance up to the end of March, is unlikely to be turned into a cash loss because both institutions are long-term investors, over 15 to 20 years, say officials. By that time, they hope the yen will have weakened enough against the foreign currencies involved, mainly US and Canadian dollars and sterling, to yield a

Yet the speed at which the postal institutions' foreign currency losses have risen, by 36 per cent in the year to last March, has worsened the postal ministry's poor relations with the finance ministry. Postal officials are unhappy over being informally asked by the finance ministry to avoid selling foreign equities to help government efforts to curb the

They have lobbied the finance ministry for permission to use derivatives to hedge foreign exchange exposure, but financial officials do not want state institutions to be seen using such instru-ments, blamed for creating volatility in Tokyo's capital mar-

The yen's continued rise, from an average of Y107.8 to the dollar in March, when the

postal funds closed their books,

value of foreign securities will have grown since then. Of the total deficit, Y910bn is attributable to the postal life insurer's Y4,222bn foreign exchange holdings, while the remaining Y464.2bn is from the postal savings bank's Y2,354bn for-

eign holdings. Postal fund managers will reduce purchases of foreign postal life insurance official yesterday. "We are now very very cautious about buying foreign holdings," he said

Until now, the postal ministry has increased purchases of US and Canadian securities whenever private sector investors have sold the same paper, according to Mr Richard Koo. senior economist at the Nomura Research Institute. "At times, they provided, intentionally or otherwise, back-up for the Bank of Japan's foreign exchange information," he wrote in NRI's latest monthly guide to Japanese investment. He expects the ministry's new caution to spread to other Japanese inves-

The rise in the postal institutions' foreign exchange losses is unsurprising, since they bought overseas securities heavily in early 1993, when it looked as if the yen might sta-bilise at around Y120 to the dollar, said Mr Robert Feldman, director of economic research at Salomon Brothers Asia. However, in the long run. the postal institutions could well end up with a profit on their foreign holdings, he pre-

Officials strain at finance ministry leash

Emiko Terazono on bureaucrats at loggerheads over Japanese rules for investing public funds

exchange loss on Japan's in order to maximise returns, postal ministry investments highlights the conflict between more efficiently through diverthe finance ministry and other ministries over the management of investment funds. The postal ministry wants to hedge its foreign assets by using currency futures and options and blame their unrealised foreign exchange losses on legislation which prohibits the use of such

financial instruments. Fund managers of the Y72,300bn postal insurance also want legal changes which will allow them to invest in property. They argue that cur-rent weak conditions in the property market make it suitable for investment. And the postal ministry wants to diversify investments into corporate lending aside from the conventional stocks, bonds and deposits. This has met loud opposition from the commercial banks, since it would hurt lending to companies which is already dwindling because of faltering demand stemming

from the sluggish economy. The postal ministry is joined by the health and welfare ministry in fighting for more autonomy over investments of funds totalling more than Y350,000bn collected through the state pension system -over which the health and welfare ministry holds jurisdic-

The finance ministry lays down rules about how such funds are to be invested in

The Y1,374bn (£9bn) foreign the two ministries claim that

sified investments. The health and welfare ministry wants to raise investment returns ahead of the surge in state pension receipts at the turn of the century. It is demanding that limits on investments - 50 per cent of the funds must be invested into bonds, while stocks and foreign assets cannot exceed 30

per cent - be eased Ministry officials also want to hire investment advisers, including European and US fund managers, to manage the funds. Currently, funds are allocated to 14 life assurers and 15 trust banks, with one institution managing as much as Y2,000bn. The US governme has long been pushing for similar changes since it would mean greater opportunities for

US fund managers. The finance ministry officials argue that high risk investments such as stocks, in which investment advisers hold high expertise, could lead to losses and hence hurt the policy holder.

The health ministry wants to manage its funds directly instead of the current arrange-ment, whereby the bulk of the Y100,000bn state pension fund reserves are funnelled into lowinterest loans for public works and the health ministry borrows Y20,000bn from the finance ministry to invest in financial instruments deemed

Palestinian economics chief offers to resign over funding

By David Horovitz

Mr Ahmed Korei, minister of economics and trade in the Palestinian Authority running self-rule in Jericho and the Gaza Strip, yesterday expressed grave pessimism over the future of the autonomy process and indicated he was on the point of

In a telephone interview with the Financial Times, Mr Korei, who is also known as Abu Ala, responded to reports that he had already submitted his resignation to the PLO chairman. Mr Yasser Arafat, by saying: "I am still not resigned officially. The final decision will come in two or three

He added that he would not be attending today's weekly meeting of the Palestinian Authority in Gaza. Palestinian sources suggested that Mr Korei might have filed a letter of res-

ignation, and was now awaiting Mr Arafat's reaction.

Mr Korei was arguably the key Palestinian architect of the Israel-PLO autonomy accords, leading Palestinian delegates through the months of secret talks in Oslo that preceded the official signing ceremony at the White

House just over a year ago. He is respected by both Israeli economic officials and international donors, and his departure would be a painful blow for Mr Arafat personally and for the fragile autonomy process, which is already being undermined by the non-arrival of hundreds of millions of dollars of pledged interna-

Mr Korei is known to hold Mr Arafat responsible for some of the funding shortages, complaining privately that the PLO chairman is scaring off would-be donors by insisting on personally overseeing the disbursement of funds rather than establishing fully

accountable institutions to perform

In a veiled attack on Mr Arafat yesterday, he said Japan, Gulf countries, the west and other donors "want to help the Palestinian cause" but were withholding promised funds "because they want institutions to deal with". He noted that "no more than \$50m" had been received so far, out of \$2.5bn

That lack of money, combined with the slow-moving pace of the auton-omy process, he said, left him "very

He said that, under the terms of the autonomy accords, the Israeli army should by now have redeployed away from Palestinian population centres in the West Bank, that the Israeli civil administration in the occupied territories ought to have been dismantled. and that preparations should have been well in hand for democratic Pal-



Ahmed Korei: pessimistic about autonomy process



FT Worldwide Residential Property Survey.

On Saturday, September 24 the FT Worldwide Residential Property Survey will be published with the Weekend FT.

It will look at a wide range of properties around the world including the most desirable residencies in London, Paris, Tokyo and New York.

There will also be insights into what makes a waterside development succeed. And it will provide a useful review of islands in the winter sun as well as chalet properties even for those who do not like winter sports.

Weekend FT

Fast growth for Chinese groups

By a Beljing Correspondent

Market reform in China is producing an expanding corps of fast-growing conglomerates which will be in the forefront of foreign trade initiatives and industrial restructuring,

according to a new survey. The assessment - conducted by the Development Research Centre under the government's State Council, the State Statistics Bureau, and Management World, the Beijing magazine – found China's largest compa-nies recorded higher growth and efficiency in 1993 and were evolving into industrial groups that will set the pace for reforming the loss-ridden state sector, the magazine said.

The Chinese corporate evaluation shows sales volume in 1993 increased 61.2 per cent over 1992 to Yn1,023bn (£77bn). Profits and taxes rose 37 per cent in 1993 to Yn156bn. The top 500 companies represented only 1 per cent of Chinese enterprises but accounted for 40 per cent of profits and tax payments, the survey said.

The number of companies with sales in excess of Yn1bn totalled 287, up from 254 in 1992. The smallest of the 500 reported sales of Yn570m, reflecting sharp growth from 1992, when the smallest recorded sales of Yn370m. The 500 are located mainly in

the city of Shanghai, Guang-dong and Liaoning provinces and several other fast-growing

concentrated in metallurgical and industrial and transport machinery sectors.

The top ten companies and their sales volumes are: Shanghai Automotive Industry, Yn30.7bn; Daqing Petroleum Administration, Yn27bn; Anshan Iron & Steel Group, Yn21.7bn; No I Automotive Works, Yn21.6bn; Baoshan Iron & Steel Group, Yn20.2hn; Dongfeng Automotive. Yn20bn; Capital Steel Complex, Yn17.5bn; Shenli Petroleum Administration, Yn14.6bn; Wuhan Iron & Steel Group, Yn14bn; Beijing Yanshan Petrochemical. Yn11.4bn. China is showing new flexi-

Gatt, the Australian trade minister said yesterday. AP reports from Beijing.

Mr Bob McMullan met his Chinese counterpart, Mr Wu Yi, in concluding a visit to Beijing, Shanghai and Canton. Australia's main concern is that China lower or eliminate

bility on trade issues Australia wants resolved before it will

agree to China's admission to

Talks on trade issues concerning Australia had been fro-zen, but the tone of his meetings in China convinced him there was "room for flexibil-ity," Mr McMullan said. China wants to be a Gatt member before January 1 so

that it can be a founding mem-ber of Gatt's successor, the

can be dealt with without a

political overtone - well, this

is something the two sides can

It was not readily apparent

what imaginative steps the two

sentatives to the JLG yester-

plete its work by 1997. Next

World Trade Organisation.

tariffs on wool.

order to maintain "prudent" fund management. However,

Hurd doubts on Hong Kong talks order to accelerate it, in order that purely technical matters

By Simon Holberton in Hong Kong

The depth of official concern over Hong Kong was underlined yesterday when Mr Doug-las Hurd, Britain's foreign secretary, admitted that existing machinery for discussing with Beijing the colony's reversion to Chinese sovereignty in 1997 was inadequate.

Mr Hurd, at the end of a two-day visit to Hong Kong, said Britain and China needed to be "imaginative" in finding ways to accelerate the work of the Joint Liaison Group, a body established in 1984 to oversee the detail of Hong Kong's reversion to China. "If present procedures need

done in a different way in

to speed progress at next week's plenary session of the JLG in Beijing. There is, however, deepening concern among British and Hong Kong officials that the JLG will not be able to comadaptation, if work can be

discuss," he said.

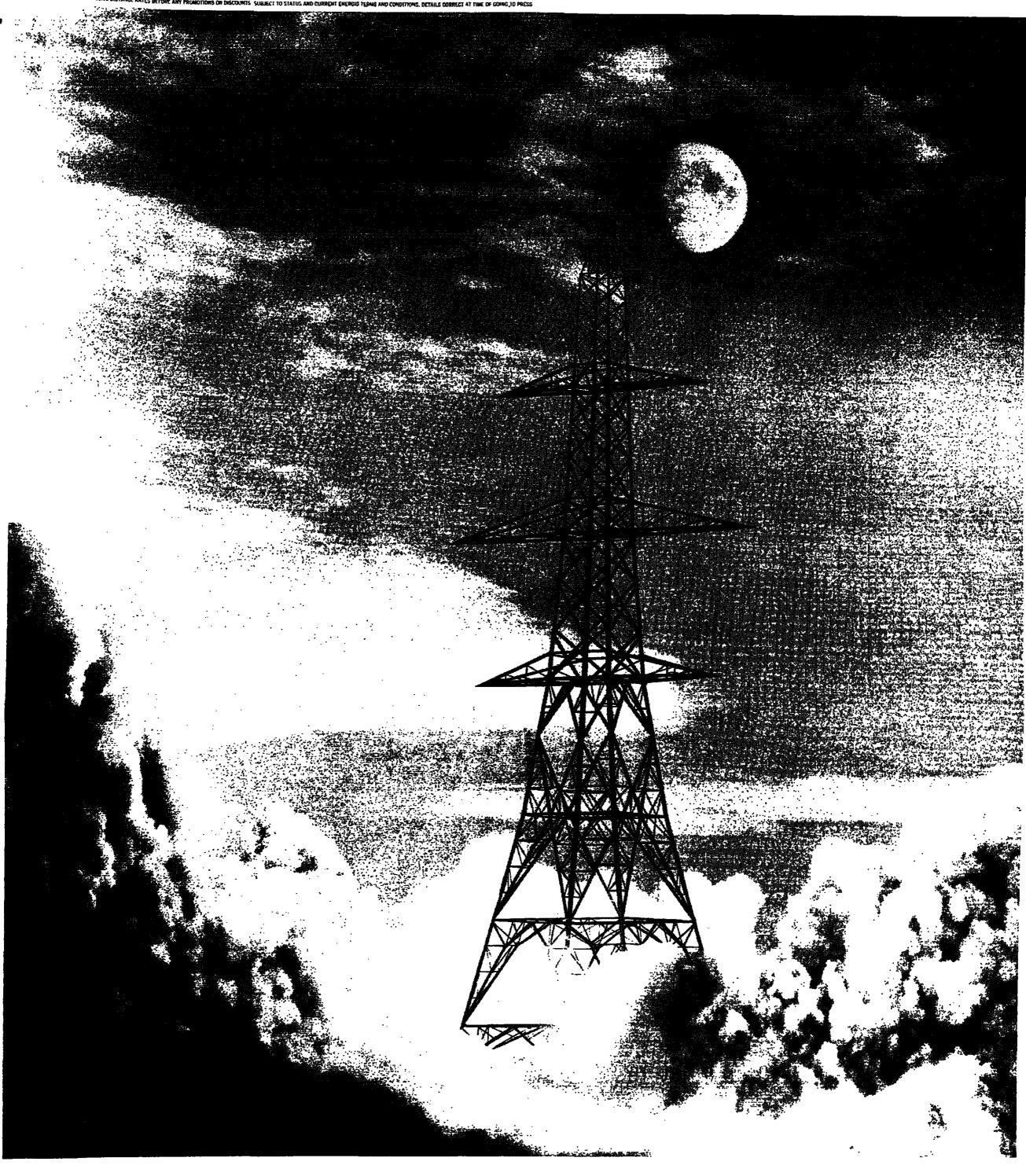
week's meeting is taking place against a background of diminishing expectations; on present trends the colony runs the risk that many statutes will be invalid after China takes over because they have not been

Mr Allen Lee, a conservative sides could take to accelerate politician, said Mr Hurd during work in the JLG. Mr Hurd met a meeting with legislators had the British and Chinese represpoken of "an imperfect transiday. After the meeting, Mr Hugh Davies, Britain's senior representative to the body, said tion" because of the lack of progress in the JLG. The foreign secretary also told legisla-tors that 1997 marked the end both sides would look at ways of British Empire and that Britain did not want to see it end in a "shabby way". Mr Hurd will meet Mr Qian Qichen, his Chinese counter-

part, in New York the week after next. The Chinese government has already sought to play down the significance of the meeting. The foreign secretary said he

would tell Mr Qian Britain was serious about co-operating with China on Hong Kong mat-ters. Both sides had a legal commitment to do so and ha a shared interest in seeing the colony enjoyed a smooth transition to Chinese sovereignty. Hong Kong will force 82 Vietnamese asylum seekers to return home next week, it said yesterday, resuming a controversial policy suspended after police tear-gassed protesting Vietnamese in April, AP reports from Hong Kong. Human rights groups condemned the announcement, as Vietnamese in detention continued a hunger strike in protest at forced repatriations.

an savi k in ty lange



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Saudis and S Africans seek help

Privatisation tops Major's tour agenda

Saudi Arabia and South Africa have asked the government for advice on privatisation programmes that could generate massive consultancy and flotation fees for British companies.

British officials say privatisation will be near the top of Mr John Major's agenda on his five-day visit to the two countries and Abu Dhabi which starts tomorrow.

More than a dozen too businessmen will accompany Mr Major. The group includes senior executives of privatised companies, merchant banks and stockbrokers. Mr Anthony Nelson, the Treasury minister responsible for privatisation, is also going.

South Africa by a British prime minister since Harold Macmillan's "wind of change"

speech in 1960. Mr Major will hold talks with Mr Nelson Mandela, the president, and his vice-presidents Mr Thabo Mbeki and Mr F.W. De Klerk. He will also meet Chief Mangosuthu Buthelezi, the Zuhi leader.

The prime minister will announce more aid for South Africa and tell an informal sitting of both houses of parliament that Britain is keen to re-establish a close relationship with its former colony. However, the focus of the trip will be on developing business opportunities identified during an exploratory visit in July by

trade and industry secretary. The African National Congress ruled out privatisation before winning the elections -but the multi-party governnt is considering asset sales as a means of raising money to finance its reconstruction and

The state-owned railways, ports and airline are thought to be possible candidates for privatisation, with the water industry and Telkom, the telecommunications agency. The government also owns a numper of small businesses such a phosphorus mine and a gas field which could be sold. Political demands for land reform would probably prevent the disposal of the state's vast land

development plans

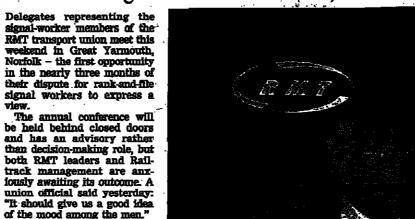
Many of the British compa mies represented in the party have long-standing links with South Africa, and some are believed to have held preliminary talks with government officials since the election. South Africa is also thought

show of unity attitudes are by to be interested in buying British naval patrol craft and milino means so clear-cut. Mr Jimmy Knapp, the tary aircraft. But British officials said no deals were likely union's general secretary, cannot dictate the tactics or stratto be finalised during the trip. Saudi Arabia is said to be egy of the dispute. He is considering the privatisation of accountable for all his actions part of its extensive public secto the RMT executive council. tor to replenish reserves which he attends but at which

depleted by the cost of the Gulf he has no vote. Mr Knapp is "subject to suswar. The state-owned telecom pension" by the executive if he munications, petrochemicals, is ever "absent from duty" or and airline businesses are responsible for "gross neglect or incompetency". His full-time thought to be potential candi

Signal workers' chance to speak out

As RMT delegates meet this weekend, Robert Taylor looks at the executive's hardline stance



Although the RMT union says Jimmy Knapp (left) and Vernon Hince have not been overruled, its

officials are also responsible to the executive council Day-to-day power in the union rests with the 21-strong

be reduced to 13 from January as the union contracts to save money in the face of dwindling membership and tight finances. The balance of politipower on the executive is held by the left, although its majority changes. The executive is unique in

the trade union movement in that it is full-time - elected RMT members are seconded from their jobs to work in the union's London headquarters

and are paid an annual allowance by the union, usually about £28,000.

The signal werkers have traditionally been a rather isolated section of the union with no substantial influence over policymaking. Only two mems hers of the present executive are from signalling grades although Mr Knapp has a signalling background. One of them - Mr John Tilley - heads the specially created six-strong strike committee that reports

to the executive. The main internal differences on the RMT executive in

over tactics and not strategy The most decisive evidence f division came on July 14 when the executive defeated by 12 votes to six a proposal to mages. The move was proposed by most of the strike committee, backed by Mr Knapp and Mr Vernon

widen the action - passed unantmously by the executive was very close to the left's demands and both Mr. Knapp and Mr. Hince refused to

have been overruled at least once by the executive's major ity on the proposal of a compute have been denied strongly. But RMT headquarters is an unhappy place.

This weekend's conference may put pressure on the executive to change tack or at least reappraise their strategy. It is not wholly without importance. After all, last year it passed a motion calling for a strike ballot of signal workers if their long-standing griev ances had not been resolved

Pottery workers made **jobless**

Redundancy notices were handed yesterday to 232 pot-tery workers at Ironstone Tableware in Shelton, Stoke-Mr Ian Powell of Price

Waterhouse, one of the administrative receivers appointed to the company earlier this month said he could not rule out job losses among the remaining 208 workers. He said: "We regret the need to make these job cuts but there has only been limited interest from prospective pur hasers of the business, partic

ularly at the pottery's present size and capacity." The company, which makes earthenware including muga and plates mainly for the oversees market, went into receiv ership because of cashflow dif-

Steel profiling plant to close

British Steel Strip Products is closing its profiling plant at Newton Aycliffe, County Durham with the loss of 56 jobs. The closure is part of a rationalisation plan to be carried out over the next few chase in March of two profiling plants from RTZ, the interna-

tional mining group.

The acquisitions improved British Steel's market position but with continuing overcapacity it wants to cut costs by closing one of its three plants, which turn flat steel sheets into shaped products.

Labour to hold economy debate

conference on the future of the world economy later this month at which it will debate policies and ideas at the heart of its agenda. ..

The one-day conference, called "New Policies for the Global Economy", has been organised by Mr Gordon Brown, the shadow chancellor, and will be attended by Mr Robert Reich, the US labour secretary.

The conference, to be opened leader, will take place on Sep-tember 27 at the National Film Theatre in London.

• The Labour party said vesterday that its membership had risen to 280,381 in August - the highest since a scheme of national enrolment was introduced in 1989.

The party reported that it had recruited 41,000 members this year, including 10,000 union "registered" members.

Sales of building materials increase

Sales of building materials by builders merchants rose 8.8 per cent in the 12 months to the end of July, the biggest yearon-year gain since 1988, according to figures published yester-

A survey by the Builders Merchants Federation showed sales in May, June and July were 11.3 per cent higher than in the corresponding period last year, but 2.7 per cent lower than in the previous three months.

Partnership rescues to change

Partnerships in financial diffi-culty will be offered the same rescue procedures which are available to companies, under

Minister praises Bank is **'keeping** model pay policy Ucatt

Average take-home pay for an unmarried production worker in the UK is higher than in any other European Union country except Luxembourg, Miss Ann ister, said yesterday. In a speech to an Interna-

tional Labour Organisation seminar in London to mark the ILO's 75th anniversary, she argued that British labour market policy, stressing flexibility and deregulation, was an example to the world. She said the "diabolical trade-off" en good jobs and more jobs, which concerns Mr Robert Reich, the US labour secretary, does not exist in the UK. While income differences have widened in the UK, there

Tender No.

for all groups," she said. "We are unlike the United States in this respect: there, real wages at the lower end have fallen. Adjusted for costs, take-home pay for a British production dren, is only fractionally lower than in Germany or Belgium and higher than in France and

Miss Widdecombe argued that a flexible labour market was compatible with employ-ment rights. "Many employment rights, such as those relating to health and safety, race and sex discriminatio trades' union membership and maternity leave, apply to all employees regardless of hours or work or length of service,"

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2.3 copy of receipt of buying the tender

17/1 Belkas Chemical Material

Ucatt, the construction union,

would not be a going concern if it did not continue to have the full backing of Unity Trust Bank, the trades union bank. This is the conclusion of H.W. Fisher, the union's accountant, in a memorandum submitted to the independent Certification Office this week with the union's annual financial return for 1993.

afloat

By Robert Taylor,

Railtrack was taking a cau-

tious view. For many weeks

the state-owned company

responsible for administering

the network's infrastructure

has been running a "hearts

and minds" campaign among the signal workers urging

to return to the negotiating

The company believes many signal workers agree with the

results of a MORI poll that it

published yesterday which showed that 75 per cent of the

public think the union should

hold another ballot on strike

It also believes, however, that few signal workers are

willing to speak out openly at

union branches or elsewhere

for a return to negotiations. Behind the RMT leadership's

them to persuade their le

The union reported a £1.05m operating deficit last year, down from £1.83m in 1992, with a negative net cashflow of £685,000 on its current account. down from £901,000. However, Ucatt's general fund reported an accumulated defi-cit of £3.17m on December 31 1993. Ucatt had to pay 2200,000 in interest charges on its £1.25m bank overdraft last year. It also said it owed

21.14m to unspecified sundry In its report - which is sed to Ucatt members -H.W. Fisher says: "The bank has only agreed to maintain the overdraft facility on a tem-porary basis. We consider that re is therefore a significant level of concern as to the appropriateness of the going-

The report continues that its opinion "is not qualified in this respect", on the basis that Ucatt's bankers have indicated that they will continue to support the union. The overdraft has been secured by fixed

charges over union properties. Unity Bank has said it will continue to support the union commercially until a new busi-ness plan is completed and the bank is "satisfied that its implementation will restore the union to financial sta-

Mr George Brumwell, Ucatt's general secretary, said yesterday: "We are now in a osition to make a significant reduction in our debts." The union is in the process of sell-ing property and reducing its staff.

The accounts show that the union has saved about 2800.000 in personnel costs. Its regional staff cost £1.67m last year, down from just over £2m in 1992. There was also a reduction in general administrative expenses to 2661,000 from £749,000.

However, the union has had to trim its services to members. There was a cut of more than half in legal assistance to £204,000 from £510,000. Funeral and other benefits amounted to only £56,000 in 1993. Ucatt had investment income of just £8,000 last

Gummer backs shops complex

A proposed £200m property development next to the Manchester Ship Canal yesterday won the backing of Mr John retary, in an important test of government policy on out-oftown shopping centres. Mr Gummer said that he

would ask the House of Lords to overturn a Court of Appeal judgment in July which threatened to block the 1m sq ft Trafford Centre scheme. The Appeal Court quashed

outline planning approval granted in March 1993 by Mr Michael Howard, then environment secretary, following opposition by local anthorities. The authorities, led by Manchester City Council, said that

the development would increase traffic pollution and

the government's attitude to large, out-of-town shopping developments. Recent planning guidance issued to local authorities by Mr Gummer desirability of such centres since the Trafford scheme was given the green light. The environment department has discouraged schemes which require people to travel. Mr Gummer said yesterday that the original decision was

lawful and reasonable in the light of circumstances at the time. He said the Appeal Court ruling could have implications for the administration of the planning system and should be clarified in the Lords. The ruling is already being

challenged in the Lords by Manchester Ship Canal Company, owner of the 300-acre

Cambridge votes for status quo

Cambridgeshire , residents prefer the existing two-tier system of districts and counties, according to the results of a

Keeping the status quo was the most popular option in the "advisory referendum" carried out by the Local Government Commission - even though this was not among the structures proposed by the commis-It was favoured by 38 per

cent of those who responded. The commission's own preference for abolishing the two-tier structure and replacing it with three all-purpose unitary councils was favoured by 23 per cent, while alternative proposals for two and four unitary authorities were both favoured by only 14 per cent of respon-

county's 293,816 households sponded to the questionnaire from the commission - a much higher turn-out than in Leicestershire, where only 2.3 per However in Huntingdon-

shire, which stands to regain administrative independence lost in the reorganisation of 1974, 47 per cent favoured the commission's proposal. This repeats the pattern for Leicesershire, where residents of Rutland, another county which ceased to exist in 1974, strongly supported a return to the old boundaries.

There were overall majori-ties in favour of the two-tier system in both East Cambridgeshire and South Cambridgeshire districts, while a majority in the Fenland district favoured creating four

Travelcard costs that carry a price

push up the price of its Travelcard - allowing multiple jour-neys by train, bus and underground - before it kills the goose that lays the golden

Reports that London commuters face an increase of up to 10 per cent in Travelcard prices, with other tickets rising by just 6 per cent, have prompted concerns that the limits of customer resistance are about to be reached.
Introduced in 1983, the Travelcard boosted passenger numbers when public transport use

was in decline in the rest of the country. card is relatively cheap and convenient. Weekend and evening journeys on top of the daily journey to and from work

paid in advance, there is less fraud and travellers do not pay each time they get on a bus or a train – allowing passengers to board buses more quickly.

Mr John Cartledge, assistant secretary of the London Regional Passengers Commit-

tee, a consumer watchdog, said: "The Travelcard puts public transport on a par with the private car. Once you have bought a car the only marginal cost is for petrol and parking, so you have an incentive to use it as much as possible. The make extra journeys for a nil márginal cost. But LT thinks the Travel-

card is too cheap. It was priced at a discount when it was launched but its price has increased more quickly than re free. other tickets - for example by
The advantages to the trans10 per cent in January 1993

increased by 8.5 per cent - but LT calculates that it still provides a saving of 30 per cent. Reports emerging from this year's early talks on fares policy indicate a far larger gap between the two rates of increase this time round.

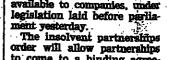
Commuters might be happier if LT used the same method of calculating Travelcard fares as Network Ticketing, which administers the Network Travel Ticket for transport operators in Tyne and Wear. Network Ticketing bases fares on the average charged for individual journeys by the

30 local bus companies, the Tyne and Wear Metro and British Rail. Mrs Julie Johnston, manager of Network Ticketing, said: "It is a straightforward mathematical calculation so we can easily explain how our

the cost of nine journeys, a discount of 10 per cent on a presumed 10 journeys a week for the Monday-to-Friday commuter, although some people make up to 15 journeys on a weekly ticket, a discount of 40 per cent. LT may have greater scope

to reduce its 30 per cent dis-count because many commuters have no alternative means of travel But if it pushes prices too

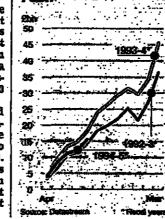
high travellers might be upted to take to their cars, increasing congestion. If they stayed with public transport but bought single tickets, queues would lengthen, bus boarding times would increase and the cashflow benefit of advance payments would be



to come to a binding agreement with creditors for the settlement of debts, or allow a breathing space to put survival plans to credite The order will come into

Charles Batchelor | force on December 1.

City disappointed at £3.2bn budget deficit



By Motoko Rich

The government's budget deficit deepened unexpectedly to £3.21bn in August from £1.1bn in July, well above City forecasts of £2.1bn. But the public sector borrowing requirement for the first

five months of the financial year was £15.5bn, down from £18.1bn in the same period last year, indicating that the Treasury is still on course to reach its forecast of £36.1bn for the PSBR in 1994-95.

Part of the reason for this month's figure was high central government outlays and smaller repayments by local still on the cards."

authorities and public corpora-

Analysts were disappointed by the August figure - but remained optimistic about long-term PSRR prospects, predicting a deficit of between £30bn and £34bn: Mr Simon Briscoe, UK econo-

mist at S.G. Warburg Securities, said: "This mouth's deficit will restrain wildly optimistic forecasts. But it is better to look at a run of months because you will realise that tax receipts in general are rising more strongly than public expenditure, so an undershoot on the government's forecast is

duties and other income totalled 217.19bn for August, up from £15.56bn in the same month last year, but down from £19.3bn in July. In the five months to August cash income was £87.1bn, a rise of 5.5 per cent from £82.5bn in the same period in 1993-94

Cash outlays for August were £20.97bn, up from £20,39bn in August last year and £20.79bn in July. In the five months to August cash outlays were £104.1bn, up 2.5 per cent from £101.5hm in the equivalent period last year. Net departmental outlays in the five months were £98.3bn,

Receipts from taxes, excise similar to the same period in The auction of privatised

companies' debt brought in £1.3bn in August. If these privatisation proceeds are excluded, the August deficit was £4.49bn and the running figure for the year is £17.7bn, compared with £21.6bn in the same period last year. Central government borrow-

ing on its own account was 23.8bn in August and £17bn for the financial year to date. against £19bn in the same five months last year. Excluding privatisation proceeds, the figure rose to £5.1bm in August,





【 do pt t 4.

News: On the state of the decade. It is spending more than \$400 ft. With the earlier development of the year as a whole. **Description** Lex group seeks big boost for Hyundai sales would more than \$400 ft. (22.500n) on expanding capacity at three of its four but the earlier development of the year \$9,189 Hyundai vehicles increases later. He refused to prevaled the same through the property of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the full year should be a recommendation of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the full year should be a recommendation of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the full year should be a recommendation of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the property of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the property of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the property of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the property of the decade. Last vear \$9,189 Hyundai vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles increases later. He refused to prevaled the property of the vehicles in the property of the vehicles incre

Lex, which took over the Hyundai business late last year after losing its long-standing Volvo import franchise, has made a first-half loss of £800,000 on the Korean franchise and

The government is expected to

appeal against a ruling by a US judge blocking the extradition

of a convicted IRA gunman.

Ms Barbara Caulfield, a San

Francisco federal judge, ruled against the extradition of Mr

James Smyth on the grounds

of "the punishment, detention

and restrictions on his per-

sonal liberties" that he would

face on his return to prison in

The ruling drew an angry

reaction from prison officers in

Northern Ireland and from

some unionist officials. Mr Fin-lay Spratt, chairman of North-

ern Ireland's Prison Officers'

Association, said the judge's

decision was an "absolute dis-

grace". Northern Ireland had

one of the most relaxed penal

The ruling was also seized on

by Irish-Americans sympa-

thetic to the republican cause.

Mr Smyth said he planned to

stay in the US "until the Brit-

ish leave Ireland" and to cam-

paign on behalf of three other

Irish nationals who remain in

UK government officials yes

terday played down the politi-

cal significance of the ruling,

indicating they would not

allow it to get in the way of

their collaboration with the US

administration over the cur-

rent Anglo-Irish peace process.

They do not believe there has

been any political interference

Officials think it likely that a

US court of appeal will eventu-

with the judge's decision.

systems in the world".

US prisons.

Northern Ireland.

Hyundai, whose output will this year exceed im vehicles for the first time, has said it intends to be a 2m-plus producer - and to join the world's top 10 vehicle makers - by

expansion and new models.

The rapid expansion of the Korean

In January the Lex/IM venture

were sold in the UK, down from a peak of more than 11,000 at the end of the 1980s. Sales and marketing activities this year have already paid off, in sales if not financial terms. The 9,320 vehicles sold in the eight months to the end of August represent a 30.6 per cent rise from the same period a year ago.

Mr David Walker, managing director of the UK importer, said sales for the full year should be a record 13,000 to 13,500, with further steady increases later. He refused to predict what share Hyundai might eventually take in the UK market.

Under a deal reached late last year Lex acquired a 50.1 per cent stake in Hyundai Cars (UK), with IM - which took on the Hyundai franchise in 1982 - holding the rest. The joint company has a three-year rolling

will be culled

turbot

Diseased

Bv James Buxton Scottish Correspondent

Thousands of turbot at an experimental fish farm on the island of Gigha, off the coast of Argyll, are to be killed after government officials con-firmed they were suffering from a fish disease which has not been recorded in the Brit-

The fish are affected with viral haemorrhagic septicaeand European Union legislation requires to be eradicated if its breaks out. The disease is said to be endemic on the Con-

The affected fish farm has been placed under quarantine for killing and clearance, and movement of fish from a salmon farm on the island has

been banned. The disease was discovered last week at the turbot farm which is owned by the McConnell Salmon company. Its con-firmation as VHS has alarmed fish farmers in Scotland, who fear that they could be affected by the disease or suf-

fer from bad publicity. The Ministry of Agriculture says VHS can affect salmon, rainbow trout, brown trout, grayling and other species.

However, Mr David Windmill, managing director of McConnell Salmon, said the company had found no evidence in the scientific litera-ture of VHS affecting salmon, which make up the majority of fish farmed in Scotland.

Mr Seumas McSporran, subpostmaster on Gigha, which has a population of 120, said: "It would be a crisis for us if both the fish farms had to

The turbot farm, which has been operating for a year in its present form, contains about 200,000 turbot, worth about \$500,000, McConnell Salmon started the operation to see whether turbot could be farmed as successfully as

Mr Windmill thought the disease could have reached the fish through their moist feed.

car market for Hyundai, the Korean car import franchise it controls in partnership with IM Group, a Japanese vehicle importer.

work on the basis of a new model programme and expansion plans by Hyundai, Korea's biggest vehicle

woo, another of Korea's four main vehicle makers, is making final preparations for the launch of its vehicles in the UK at the start of next year. Kia, a third, is selling about 4,000 cars a year. Like Hyundai, each has ambitious plans for

will start selling the Accent. Hyundai has spent \$438m on bringing this small car to production to replace Excel models. A medium-sized saloon, coupe and a multipurpose vehicle are scheduled to form part of an expanding range in coming years. Mr Chon Sung Won, Hyundai's

contract with Hyundai. Appeal against San Francisco ruling expected Security forces continue monitoring of terrorist groups US court bars extradition of IRA man Intelligence

report helps

shape strategy By Jimmy Burns

The government's continuing refusal to accept unequivocally that the IRA ceasefire is permanent, and new policy moves announced yesterday, comes even though an intelligence assessment says that the IRA's internal discipline is holding.

Before announcing the lift-. ing of the broadcasting ban on Sinn Féin, the IRA's political wing, and the opening of some border roads, the government was advised by security experts that the IRA leadership remained committed to the

Yet it is thought security officials also advised the government that there were hardliners in the IRA who agreed to the ceasefire on the basis of raised expectations about the speed with which the government might respond.

The most immediate threat of renewed violence is thought to come from loyalist paramilitaries, who are ignoring the advice of more moderate unionist politicians and are prepared to exploit anxieties in the unionist community. The referendum announcement is

aimed at minimising that risk. There have been some symbolic gestures since the IRA ceasefire such as ordering Brit-

rity forces have not relaxed their monitoring of suspect terrorists and their sympathisers. One area of concern is thought to be the civil disobe-

ish soldiers to wear berets

instead of helmets, but secu-

dience campaign by Sinn Féin, which includes the illegal opening of border crossings. The security forces are also aware that some army and police personnel continue to be tracked by IRA "intelligence" British intelligence is

thought to be keeping a close watch on any arms movements by paramilitaries and whether they are using the ceasefire to re-arm. There is still uncertainty

about whether the ceasefire has brought about any significant change in the paramili-taries' fundraising activities. It is against this background

that the government appears to have opted in public for caution - awaiting reassurance from security advisers that the military situation remains under control while being seen to maintain an evenhanded approach to the peace

The strategy includes moderating its objections to a US visa being granted to Mr Gerry Adams, the Sinn Féin leader.

Living with a six-year silence

San Francisco in 1992 after so that he can complete a 20-

spending nine years as a fugi- year sentence for the

By David Owen and Jimmy Burns

The broadcasting ban on Sinn Féin was announced in the House of Commons by Mr Douglas Hurd, then home secretary, on October 19 1988 after a particularly intense period of IRA violence.

He said that the time had come to deny the "easy platform" provided by radio and television to those who "propagate terrorism". The ban would remove from the men of violence an extra weapon which the existence of direct access to the media has provided for

He said: "This is not censorship, because it does not deal with or prohibit the reporting of events. Broadly, we are putting broadcasters on the same

tion. The case is not expected to be settled for some months.

by which time political devel-

opments may mean Mr Smyth

Mr Smyth was arrested in

will return voluntarily.

written press." The move was supported by unionists, but Mr Roy Hattersley, then shadow home secretary, said it would "make the government look simultaneously repressive and ridiculous", Mr Paddy Ashdown, Liberal Democrat leader, said the action was "ill-conceived, illjudged and almost certainly counter-productive".

The government's action came more than three years after Mrs Margaret Thatcher, then prime minister, suggested after the IRA attack on the Troy conference in Brighton that the media adopt a voluntary code of conduct denying publicity to terrorists and hijackers. She said: "We must try to find ways to starve the terrorist and the hijacker of

basis as representatives of the the oxygen of publicity on which they depend."

tive from British justice.

Before the latest ruling a

request for bail had been

The government has been

refused by a US appeal court.

seeking Mr Smyth's extradition

Toast to freedom: James Smyth (centre) celebrates the court ruling with friends at Molly Malone's Dublin Pub in San Francisco

Initially the policy was judged a success. Even Sinn Féin admitted it was having difficulties putting the case for the IRA campaign. Since its imposition the ban has been sidestepped by broadcasters, who have used actors' voices to dub the words of individuals such as Mr Gerry Adams, the Sinn Féin president.

In recent months ministers have come round to the view held by Sir Patrick Mayhew, Northern Ireland secretary that the ban is no longer achieving anything and has become a lever for people to criticise the government.

The Irish government lifted its broadcasting ban on January 19. Irish officials say the lifting of the ban has been the

subject of telephone conversations between Mr Major and Mr Albert Reynolds, his Irish counterpart, in the past week. Mr Reynolds, said after con-sultations with Mr Adams and Mr John Hume, the SDLP leader, that lifting the ban, with other measures such as lifting border controls, could help enforce the IRA leadership's commitment to the

officer and face trial for taking

part in an armed mass escape

from the Maze prison in 1983.

In May last year a request by

Judge Caulfield for Whitehall

documents was refused by the

attempted murder of a prison to have included details of UK

unionist opinion The lifting of the Irish ban has had little impact on Sinn Féin's electoral fortunes.

The view of some Irish offi-

ceasefire without alienating

cials - apparently now shared by their UK counterparts - is that far from turning Mr Adams into a media star, lifting the broadcasting ban will help remove the myths sur-

security policy in Northern

• The Irish government yes-

terday signalled that it might

consider releasing some IRA prisoners in coming weeks as

part of the peace process.

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probe into 'Monklandsgate' By James Suxton, Scottish Correspondent was held until his death by John Smith, the Labour leader. English Tory MPs. However It was widely believed during Monklands district council in

Council states terms for

Scotland said yesterday that legal advice on powers and costs would determine whether a public inquiry was held into allegations about the way it is

The ruling Labour group on

seek an inquiry in response to pressure which has built up over the past 21/2 years. It boiled over in June during the bitter by-election campaign

in the Monklands East parlia-

the campaign that the Scottish National party had a strong chance of winning the seat.

The council has faced allega-

tions - described locally as "Monklandsgate" - that it has favoured the predominantly Roman Catholic town of Coatthe council agreed this week to bridge over the largely Protestant Airdrie in the allocation of capital expenditure and coun-

cil jobs. Earlier this year Mr Smith challenged Mr Ian Lang, Scottish secretary, to hold an inquiry into the allegations, which were taken up by the government has said it would not be justified in holding an inquiry.

The Labour group's decision to seek an inquiry is the result of an initiative by Mrs Helen Liddell, who won the seat in the by-election with a drastically reduced majority and confronted the issue during the campaign. She says that people with claims or charges against the council should come forward with evidence.

Barclays to launch phone banking service soon able to deal with 20,000 new

By Allson Smith

Barclays Bank is to launch a national telephone banking service for personal customers which will be integrated with its branch network

The move follows an 18month pilot study involving 15,000 customers. The new service, Barclaycall, will be launched in November.

it will open every day but will not be available on a 24hour basis. Initially it will be customers a month.

After the success of First Direct, the telephone banking subsidiary of Midland Bank, all the leading banks and some larger building societies have launched some form of telephone banking, although some

are still at a pilot stage. Midland is still the only bank to offer an entirely telephonebased service. The others see telephone banking as a complement to branch banking.

Mr Bill Gordon, managing director of Barclays Bank UK, said the new service represented a significant investment and would have an impact on personal banking similar to the launch of the first cash dispensers. Barclays is thought to

the project. The operation will be based in Coventry and could lead to the creation of up to 1,300 jobs in the next two

be putting £20m to £30m into

Delayed Murdoch data bid rejected

The Independent Television Commission has rejected the highest bid for a data broadcasting licence because the application was received nine minutes after the deadline. Raymond Snoddy writes.

Skytext, part of Mr Rupert Murdoch's News International, bid £355,000 a year for the licence to broadcast data on the ITV television signal compared with a bid of £78,000 by Simple Active. The ITC has ruled that the

Skytext bid was "non-valid" because it missed the noon deadline on August 3. The licence is therefore likely to be awarded to Simple

Active, a company controlled

by the Guardian Media Group,

which was the only other bid-

Mr Justin Cadbury, chief executive of Simple Active, was at the ITC offices as the deadline approached. Two seconds before it the FTC received a call saying another bid was on the way. Mr Cadbury says he was there when the Skytext application arrived, timed at 12.09pm. The company blamed heavy traffic.

Mr Cadbury said he would consider seeking a judicial review if the Skytext bld was

FINANCIAL TIMES

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Saturday September 17 1994

Well done, Mr Clarke

anniversary of sterling's summary eviction from the ERM. That Wednesday has indeed proved black for the government, whose credibility has never recovered. But it has been white for the UK economy, which has enjoyed an accelerating recovery. On Monday, the chancellor of the exchequer, Mr Kenneth Clarke, saw fit to celebrate the anniversary by imposing the first increase in short-term rates of interest since October 1989 (except for that on that Wednesday itself). Has he ruined the chances for enduring growth, or ensured that this recovery will

run and run? Changes in interest rates take perhaps two years to affect the economy. The lag is uncertain and, in any case, variable. Whether base rate at 5.75 per cent, rather than 5.25 per cent, will make a decisive difference to performance two years hence is any-body's guess. But the new base rate is not intrinsically unreason able for a country whose counter inflationary credibility is weak. By historical standards, it is low: the last time base rate was at this level (apart from the months since the cut to 5.5 per cent in November 1993) was in November 1977.

The yield curve is strongly upward-sloping, which shows the market's expectation that current short-term interest rates are low (and so expansionary), in relation to expected ones. The shape of the yield curve reflects the jump in yields on longer-term gilts since January to 8.8 per cent, a rise of 2.7 percentage points. This was a larger jump than in Germany, where corresponding bond yields are only 7.6 per cent, notwithstanding higher inflation. In addition, the gap between conventional and index-linked glits, which offers an indication of expected inflation, increased from 3.3 percentage points at the turn of the year to close to 5 percentage

Lacks credibility

points this month.

In short, the government lacks credibility in financial markets, not just over its aim of 1-2% per cent inflation indicated for the end of this parliament, but on its official target of 1-4 per cent. Such lack of credibility has costs. It means, for example, that real interest rates on conventional gilts are higher than they need be. It may also mean a premature reawakening of inflation in the labour and goods markets.

The counter-argument is that the markets are being hysterical. On this view, the economy remains burdened with large amounts of slack. Correspondingly, the inflation "shocks" of this week - a 0.5 per cent increase

Yesterday was the second in the retall price index in August and a 0.3 per cent increase in producer prices - are little more than blips. Excluding mortgage interest, the annual increase in retail prices was just 2.3 per cent, the while, July's provisional underly ing increase in average earnings remained at June's unworrying

level of 3% per cent.

This objection can be strength-ened by looking at nominal gross domestic product and dome demand, where increases in the year to the second quarter of 1994 were only 5.6 and 4.3 per cent respectively. If the inflation target were converted to this form, these would be the sorts of increas government would want. Is there any chance of rapid acceleration? A measure that suggests the answer is no is broad money (M4), which grew only 4.8 per cent in the year to July, vastly below levels in previous eras of accelerating

Fundamental issue

The fundamental issue is the extent of excess capacity, on which evidence is ambiguous. The recovery started, tentatively, between the first and second quarters of 1992 (a few months before ck-and-white Wednesday). But GDP is now only 5.4 per cent above its cyclical trough and a mere 1.6 per cent above where it was when the recession began. Manufacturing output in July was 15 per cent below its last cyclical peak. Logically, there must be substantial excess capacity, particularly when unemployment is

There are two objections to this line of argument. The first is that if there were excess capacity (and the economy were, correspondingly, well above its "natural" rate unemployment), inflation should be falling. But it is not, which suggests that the excess capacity may be largely theoretical. The second objection is that because of this uncertainty, any excess capacity should be brought into use slowly. It is depressing, but true, that resources rendered idle by deep recessions cannot be brought back into play with ease. Complementary investment is required, which takes time.

The huge damage caused by deep recessions is the main reason for trying to avoid a repetition. This is more important than reaching the (unknown) point of full capacity as swiftly as possible. In erring on the side of caution Mr Clarke showed common sense If needed, he can always press the deserves praise. He may fail to get any from party colleagues. Will the British electorate prove more a sinale larae villaae.

hat was Marshall McLuhan back in 1962. So it is hardly new to claim that today's "information superhighway" is creating a global village. Much the same was said during the printing revolution in the 15th century.

If the essence of village life is immediate personal communica-tion, however, that oft-evoked vision is at last becoming a reality. The international phone call, a rare and luxurious item only a few years ago, is now a commodity within reach of most inhabitants of the

Prices of calls are falling as tech-nology leaps ahead. They would be falling faster were it not for the cartel in which most of the world's national telephone companies collude to maintain their vast profit

Now, even the international phone cartel is coming under strain. up within the next couple of years. As it does, cross-border call prices will collapse. At that point, at least the developed world will feel more and more like McLuhan's vil-

insensitive world in telecoms," claims Mr Thomas Luciano, AT&T's director of international settle ments. "Soon it may actually cost less for a Londoner to put a call through to New York than to

Even in the developed world, the international phone call only recently ceased to be a luxury. When the first regular phone service opened from London to New York in 1927, it cost £458 for a three minute call (in today's money). The entire transatlantic service was provided by radio until 1956, with capacity for no more than 20 people to hold conversations at any one time. It was not until the late 1960s that undersea cables provided lines in the hundreds, and direct dialling to New York began only in

"Making a transatiantic call was a real challenge until the 1970s," says Mr Neil Johannessen, director of the British Telecom museum in London. "Only then did international calls become truly part of the national phone system.

Two decades on, capacity is abundant. The latest transatlantic fibreoptic submarine cable being installed will provide 30 times the capacity for the same price as its state-of-the-art counterpart of a decade ago. A cable little thicker than a finger, it can carry about 600,000 simultaneous telephone

STC Submarine Systems, the London-based supplier of telecoms cables, is working on a more sophis-ticated fibre-optic system able to carry 10m simultaneous telephone calls - enough for the entire populations of London and New York to speak to each other at the same time down one cable.

STC estimates that the cost of providing a telephone circuit by fibre between London and New York has fallen by 90 per cent in just the past seven years. According to its projections, the cost is set to fall to about one tenth of its current

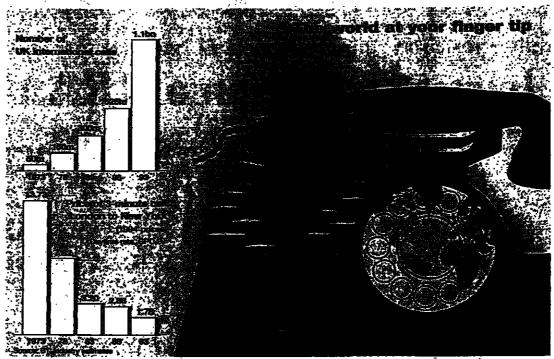
level over the next five years.

The problem is that these falling costs are not fully reflected in prices to the consumer.

At first sight, the drop in prices looks impressive. BT's transatlantic rates have fallen by more than a third in the past three years. In

Lines open tor the global village

The price of phone calls is falling and will fall faster if the international telecoms cartel collapses, says Andrew Adonis



today's money, the price of a three-minute daytime BT call from Lon-don to New York is down from nearly £14 20 years ago to less than

But with their cost base shrinking even faster, the main international carriers are making margins of more than 50 per cent on much of their international traffic. On the all-important transatiantic route, industry estimates suggest that it costs little more than 7p a minute in direct network charges to deliver a call, yet the daytime prices charged by BT and AT&T average

Prices of calls would be falling faster but for the cartel in which most telephone

companies collude to maintain their profits

nearly 45p a minute. A large part of the reason for the disparity is that international phone prices are fixed by agreement between national operators. These are mainly monopolies, subject to few competitive pressures and heavily reliant on international calls to sustain their profits and subsidise their local networks. The cartel keeps prices artificially

high, with serious consequences for the growth of new "superhighways" services and for industrial competitiveness. This is particularly damaging in Europe, where prices for cross-border calls are many times higher than for equivalent distance

For companies, one way of reducing the cost of calls is to lease telecoms lines and build their own private networks. However, Europeans are at a disadvantage here, too. According to a recent survey by the UK's Department of Trade and Industry, a leased telecoms line between France and Germany costs nearly twice as much as the same leased line within either country, and about 16 times as much as a

200km leased line in the US. Pressure to reduce prices has had to focus on the arcane regime which. governs international telecoms, whereby operators agree prices among themselves for delivering calls between countries. The agreed prices - known as "accounting rates" - have traditionally borne little relationship to costs.

After years of criticism, the cartel is cracking, and may be in its last sse. Three trends are evident: a breakdown in co-operation between the telecams operators that sustained the accounting rate

• the rise of competing, non-cartel the US and UK:

 a growing emphasis on privatisa-tion and liberalisation in Europe and much of the developing world. Multinationals have been lobbying against the cartel for years, and have been helped by divisions in the ranks of the telecoms operators. Because far more calls are made from rather than to the US. AT&T pays out far more to other carriers than it receives in return. It claims this imbalance is running at \$2.4m a year, and is campaigning to reduce it.

In response to such pressure

accounting rates have fallen sharply in recent years; and the International Telecommunications Union, which oversees the cartel, has resolved that accounting rates

should become "cost-oriented". A row this week between AT&T and BT indicates the distance still to go: AT&T is pressing to cut its rate with BT from 31 cents a minute to about 11 cents, but BT will agree to a cut of no more than 25 per cent, arguing that reductions have to be

Pressure for further sharp cuts, will nonetheless intensity following

On the most optimistic projections it will be decades before the phone is a standard household

item across the globe an important change to the regula-

cations Commission, the US telecome regulator. It will permit a new form of transatlantic telecoms competition using leased lines, which will benefit companies that make their business from leasing lines from the top carriers and re-selling them at a discount to standard tariffs. After the change they will be able to connect the lines into the public network on both ends of the Atlantic, giving them wider access than previously.

"This is a big nail in the coffin of the international cartel," says Mr Laurence Heyworth, telecoms analyst with Robert Fleming, the brok-

Although this month's change concerns only the US and UK, the US is by far the most important foreign destination for UK calls, while the UK is the the third most popular for US calls. Canada, which is the most common destination for outgoing calls from the US, already permits the same form of competition with both the US and UK. tion with both the US and UK.

New operators are bound to find ways of using the new regime to offer cut-price services to mainland Europe, whatever the formal rules laid down by the US and UK regula-

tory authorities.

Not withstanding the current controversy about over-priced calls, demand continues to race ahead. International telephone traffic has been growing at a compound rate of about 17 per cent a year for the past

Such growth does not just reflect the giobalisation of business. According to the ITU, residential calling is contributing as much, if not more. The residential market is burgeoning, thanks in part to the increased mobility of populations: the US alone gained nearly 9m new immigrants in the 1980s, while the influx into western Europe has been running at about 2.5m a year since the collapse of the Berlin Wall.

n the UK, Worldcom, a compet itor in international business services to BT, is about to enter the residential market by targeting immigrant communities through direct mail. "We are confident that lower prices will stimu-late a lot more international calls to friends and relations," says Mr David Hardwick, managing direc-

For all this the global village will still be a somewhat exclusive community. Most of the world's populaany kind, let alone fibre-optic international telecommunications and multi-media wizardry.

The average global citizen made national calls in 1991, but that average conceals a huge range: from seven hours per citizen in Luxembourg to six seconds in Africa. Barely a fifth of 105 countries sur-

veyed by the International Telecommunications Union boast more than 25 phone lines per 100 people, with most developing countries provid-ing fewer than 5 per 100. The UK has four times as many phone lines

The priority in the developing world is to build more lines. Invest ment is accelerating and new technology – such as "fixed cellular" systems - may slash the cost of infrastructure. China plans to quadruple its number of phone lines over the next decade.

Yet on the most optimistic projec tions it will still be decades before the phone is a standard household item across the globe.

Governments and phone companies are coming to realise that rapid expansion requires a radical recasting of the existing telecoms re in many Asian, eastern European and Latin American countries, governments are now wooing foreign telecoms investors instead of seeking to fund expansion of their monopolies largely by taxing international calls.

As a senior Chinese official put it

recently: "We used to think it was the roads that mattered: now we realise that telecoms links are more important, and a crucial agent for growth." Perhaps in the true global village the motor car will be a quaint relic of the 20th cen-

April 1970

MAN IN THE NEWS: Kenneth Clarke

omething strange happened The one who knows looked like it had recovered its grip. Mr Kennsth Clarke took the credit. Yes we do have a where he's going new style of chancellor. There was the inevitable blip. Mr Jeremy Hanley, installed as Conser-

rative party chairman because he is telegenic, discovered that an avunersial premise that sensible eco-nomic policymaking and good policular personality is not enough in today's television studios. But Mr Hanley's slip-ups over tics are not mutually exclusive. yobbery and interest rates were a sideshow. At centre stage stood the He came back from his summer holiday with two thoughts uppersolidly self-confident figure of Mr most in his mind. To have any chance of winning another election,

Clarke. The government can still field someone who knows where he the government must remove the is going.
We should not get carried away. p insecurity caused by the recession and by the pace of economic change. It has also to re-establish a Nor should Mr Clarke, who by all accounts ended the week in pretty track record for doing what it promexuberant spirits. Remember that ises. Mr Clarke's people, the middle classes of middle England, are in Budget last November with the biggest tax hike in history. The pundesperate need of reassurance. dits loved it. The voters hated it. The chancellor assumes (rightly)

that after the broken promises of 1992, the voters don't believe a word Were the economic recovery to falwould not look quite so shrewd. Even if the latest opinion poil is this government says. The only way to change that is to deliver the steady growth and low inflation it right and Mr Tony Blair's boneymoon as Labour leader is coming to has promised - and to clear up the mess in the public finances. If the Tories fail this credibility test, they an end, this government is sitting at the bottom of a deep hole. may as well not bother.

etence: the ejection of sterling

from the European exchange rate

The same strategy lay behind Mr Clarke's decision to rule out tax

cuts in the Budget this November: and to warn colleagues it may be

impossible also to deliver a substan-tial electoral bribe in 1995 or 1996.

The punters are not thrilled about picking up the bill for its mistakes. There is more to come. From next That was the context into which Mr Clarke slotted his decision to call an abrupt halt to the cycle of month they will be paying new insurance and travel taxes. Next April the value added tax on their falling interest rates. Inflation is not expected to pick up in the near heating bills will double. future, but he is thinking 18 months

Nor will higher borrowing costs and the extended freeze on public to two years ahead. The message was that here was a chancellor who will act before be is sector pay bills have the voters pushed. Perhaps it was no coincisinging in their baths this weekend. if you are paying a mortgage or are selfless enough to be a public ser-vice worker, the feel-good factor in dence that this particular demonstration of decisiveness coincided with the second anniversary of the event which shredded this governthis economic recovery is going to ment's reputation for economic

be a long time coming.

So why the plaudits for the man in No 10 (whoops, that should read No 11) Downing Street? It's simple. After two years of what Lady Thatcher used to call wobble, Mr Clarke has defined a strategy which looks further ahead than next week. His game plan has as its starting point the simple but not uncontrov-



Of course he hopes to be able to bound monetary motorways on combine fiscal prudence with a which his predecessors found themdemonstration of tax-cutting intent. But if it comes to a choice, he will out for sound finance. The voters want tax cuts that will last

No one noticed, but Mr Clarke did something else this week. He quietly buried the monetarist ideology which lay at the heart of the Thatcher revolution.

Look at the reasons he gave for raising interest rates. Buoyant growth in output, sharp rises in exports and an upturn in investment pointed to a shrinking level of spare capacity in the economy. The Treasury press release did

mention the narrow measure of the money supply and allude to the recent weakness of the exchange rate. But the chancellor is not inter-

ested in excursions along the fog-

selves lost during the 1980s. As befits a chancellor self-conscionsly proud of his roots in the industrial Midlands, he intends to watch the real economy.

Mr Clarke would say that nothing that has happened in the past few days should surprise us. His first act as chancellor was to tackle public borrowing. It was he who decided to inject transparency into interest rate decisions by publishing the minutes of his monthly meetings with Mr Eddie George, governor of the Bank of England. And anyone glancing at his record at health, education and the Home Office could have guessed his attitude to public sector pay.

The trouble is not everyone in the Conservative party - or for that

matter the cabinet - shares all his inner certainties. One or two noticed that the Bank had not any-way left him much choice this week on interest rates. Ken and Eddie may be getting on famously, but what happens when they fall out? Colleagues on the Tory right detect in Mr Clarke a politician whose convictions are too close to

the social democracy of Mr Tony Blair, the Labour leader. The obvi-ous mutual respect between the two men does not help. Others harbour still darker suspicions. The chancellor has been

quiet lately about his enthusiasm for Europe. But the Tory sceptics fear that, once the economy is in suitable shape, he will again take up the cause of economic integra-tion. He has after all admitted he would back a single currency. Then there is the small matter of

Mr John Major. Close aides in both camps insist gossip about rows between the prime minister and Mr Clarke are unfounded. Sure, the prime minister gets irritated when the chancellor will not stop talking (Mr Clarke should watch for the moment when Mr Major starts tapping his fingers on the table).
It would be odd also if the prime

minister were thrilled by Mr Clarke's cheerful public admissions of his long-term ambitions to succeed him. But the two men are agreed on the central planks of economic policy.

That could change. It was Mr Major who promised, during the 1992 campaign, tax cuts "year by year". His enthusiasm for fiscal prudence may fade as the next election approaches. There will be plenty of colleagues telling him to put some money back into the voters pockets; that Mr Clarke has gone native at the Treasury, and that he, Mr Major, should set the government's electoral strategy. The prime minister should ignore them. Mr Clarke reminded us this week that a clear sense of direction is everything in

Philip Stephens

The BIEE memorial award for Andrew Holmes

A fund has been established in memory of the Adistinguished Financial Times journalist and editor of Power in Europe, Andy Holmes. The British Institute of Energy Economics (BIEE) is to give an annual research award of £1,000, subject to finding a suitable candidate. The arrangements are being administered by BIEF. The award is open to men and women between the ages of 21 and 35, resident in the United Kingdom, and who are interested in energy issues.

Applicants should submit a two-page original and nontechnical research proposal related to energy or to energy and the environment, and likely to lead to a 5,000-10,000 word paper. This proposal should reach the address below by October 31, 1994 with a cover note giving details of address, phone and fax numbers plus university or company affiliation, if any. A shortlist of applicants will then be drawn up and interviewed in London in December. The winner will receive half the money on winning the award and the remainder on completion of the paper. The results will be announced in early 1995.

The aim of the award is to encourage young managers, postgraduates and others to think about the wider issues of energy policy. Topics could include the European Energy Charter, global warming, the impact of China's economic growth on energy demand, policy on the the development of alternative transport fuels, the future of nuclear power, third party access to transmission grids etc. These are purely illustrative. The judges do not wish to specify a precise topic, but the subject matter and final essay should be fully comprehensible to a non-scientific or non-technical audience. The winner may be asked to present his or her findings at a BIEE meeting, and the resulting paper may be published in shortened form in the FT Energy Economist.

Applications should be sent to: Lucy Plaskett, FT Newspapers, 126 Jermyn St., London SWIY 4UJ. Fax: 071-411-4415

t was good," the crusty Washington veteran said of President Bill Clinton's nationally televised address on Haiti on Thursday evening. "But, of course, it was not good enough."

It probably never could have been. Forceful as his arguments were during his sombre 16-minute speech from the Oval Office, the president was, as RW Apple put it in yesterday's New York Times, speaking "into the teeth of a howling political gale".

The impact of his case was diluted by the instantaneous reaction from Port-au-Prince. CBS television immediately switched to an interview with Lt Gen Raoul Cedras. Mumbling in French, the leader of Haiti's military junta said he was ready to die, as any soldier would, in defence of his country.

But the junta was not Mr Clinton's prime target. His task was to convince his own public and politicians that he had not painted himself into such a corner that he had no alternative but to send US forces overseas on a combat mission for the first time in his presidency -and to a country of such insignificance that its relevance to the US national interest is but dimly under-stood and, if grasped, is perceived as not worth the expenditure of American lives.

All week Congress and most of the media have been inveighing against intervention. Senator George Mitchell, the majority leader, managed to avoid the Senate voting against US action this week. but he could not prevent a floor debate in which Democrats, including some of Mr Clinton's most loyal Clinton's least worst option

Invading Haiti could deepen White House isolation, says Jurek Martin

both houses may be unavoidable next week. Divisions were even apparent in the congressional black caucus, the strongest advocates of restoring Haiti's elected government by force if necessary.

Partisan criticism was predictably vicious. Both Dan Quayle, the former vice-president, and Ross Perot, the independent presidential candidate in 1992, said Mr Clinton was only acting to restore his sagging popularity in advance of November's mid-term congressional elections. Mr Perot added the twist that not serving in the Vletnam War rendered Mr Clinton morally unqualified to send US troops into danger. But the balance of opinion from both sides of the political aisle was definitely that Mr Clinton should secure the authorisation of Con-

gress for any intervention.

That has also been the thrust of much editorial comment. The New York Times wrote yesterday that it was "Congress's solemn duty to decide on issues of war and peace". USA Today warned that "getting in is easy; getting out is hard". The Los Angeles Times thought that only the flight of the junta could justify the president's sabre-rat-

troops, urged him to pull back. tling. Almost alone in offering a Absent an actual invasion, votes in contrary view among the pundits was Michael Elliott in Newsweek, who argued the US did have legitimate national interests in Haiti and concluded "the foreign affairs gurus can be wrong."

Mr Clinton showed himself sensitive to guru opinion by recalling in his speech the public statements of President George Bush and James Baker, his secretary of state, that the 1991 coup in Haiti "cannot stand". But members of the former administration, including Messrs Bush and Baker, have been in the vanguard of those urging Mr Clinton not to go to the wall for Fr Jean-Bertrand Aristide, the ousted president. A statement issued on Thursday by Brent Scowcroft, the former national security adviser, was typical. Its headline ran: "Haiti revisited: is this trip necessary?" At least Mr Clinton was able to assure them that Fr Aristide had agreed not to seek another term, once

restored to power.
Still, the weight of opposition to Mr Clinton's policies should not be interpreted as meaning the US stands on the brink of its own constitutional crisis over the limits of presidential authority. As Senator Robert Dole, the Republican leader,



War aims: a Haitian army trainer teaches civilians to fire rifles in preparations to counter a possible US invasion

conceded, the mere act of an invasion will dissuade Congress from doing anything that could be construed as undermining the US military mission or suggesting to the junta that US resolve is anything

Public opinion also is not set in concrete, with two overnight polls of those who had watched the president speak finding he had won over some hearts and minds. This improvement might hold up if, as expected, the Haitian military crumbles quickly and if the operation resembles the short, sharp incursions into Grenada in 1983 and Panama in 1989. But the experience of the Gulf war, popular, congressionally approved and successfully accomplished, shows how fickle public opinion can be. Waving the flag is unlikely to have much influence on the mid-term elections.

To this end, Mr Clinton sought to make much of the fact that most US troops would be out of Haiti "in months not years", to be replaced

by an international peacekeeping force, drawn from over 20 countries. But even this commitment was greeted with scepticism by those noting, like Mr Scowcroft, that the last US invasion of Haiti in 1915 led to a 19-year occupation and by others pointing out that international support had been extracted only with extreme difficulty.

Mr Clinton's other justifications for action mixed the highly moral the need to end gross human rights abuses and the proclamation of hemispheric democratic values with the domestically political. The cost of caring for refugees and illegal immigrants is already a big issue in Florida (and, for different reasons, California), and the president painted a somewhat lurid picture of the threats posed by another wave of Haitian boat people washing up on the Florida shores.

hese arguments were also given short shrift. Congressman Newt Gingrich, the Republican from Georgia, found it "disgusting" that the president should compare George Washington with Fr Aristide, while Congressman Porter Goss, the Florida Republican, thought the refu-gee rationale "disingenuous and frankly unhelpful". A M Rosenthal, in the New York Times, wondered what had happened to a country which once welcomed immigrants with open arms.

But, beyond the particular, there is the general sense that Mr Clinton is about to do something – invade a foreign country – which he entered his presidency determined to avoid at all reasonable cost. More even than his countless Haitian policy twists and turns, it is the often public agony of his decision-making processes, also evident in the domestic arena, that sometimes seems positively unpresidential.

On Thursday night, he came over as stern and tough, perhaps another manifestation of this quicksilver man. But, by the time he spoke, he was damned if he did invade and damned if he did not. Not backing down had become, arguably, the lesser of the two evils.

Lionel Barber on the challenge before Jacques Santer

Dealt a mixed hand

ity Mr Jacques Santer, next president of the European Commission. In the next few weeks, the affable Luxembourger must decide a division of portfolios, a thankless task which will produce few winners, many losers, and bruised egos all round.

Mr Santer took soundings this week among fellow European prime ministers. From Lisbon to London, he heard pleas for special treatment: none louder than in Paris where the Balladur government had warned of the need to respect France's "weight" in the European Union.

The pressure must be faintly unsettling. Mr Santer never sought the top executive post in Europe, and only secured it on the say-so of Chancellor Helmut Kohl, who saw the Franco-German candidate, Belgium's Mr Jean-Luc Dehaene, fall to a British veto.

"This is Santer's first big test," says a Commission official. "It's a test of his grip on the new Commission and of his clout with member states."

Mr Santer inherits a demoralised Commission whose mission needs rethinking. His preparations for assuming the presidency on January 6 next year coincide, too, with debate on the shape and pace of European integration which may affect his team's composition.

Spain insists the balance between north and south be preserved, despite likely enlargement of the EU next year to include Austria, Finland Sweden and Norway. Italy, too, was unnerved by the recent paper from the governing CDU/CSU coalition in Germany advocating a "hard core" of five member states led by France. Germany and the

Benelux countries. For its part, the UK is struggling to fend off French-led attacks on Sir Leon Brittan, the chief EU trade negotiator. The UK's obstructionism in Europe has weakened its bargaining position; but it is lobbying to persuade the Bonn government that keeping Sir Leon in charge of economic relations with central and eastern Europe would better serve German interests than would giving his portfolio to the protectionist-minded French.

trial line to the



straint is that he may inherit as many as seven Commissioners. Of them, Mr Martin Bangemann, the German industry commissioner, Mr Karel Van Miert, the Belgian competition policy commissioner, and Sir Leon are heavyweight "barons of Brussels" who form a powerful old guard.

In the summer, Mr Santer hinted incumbent commissioners might keep their present jobs, though he reserved the right to trim or reorganise their empires. Opinions differ on whether this was a shrewd or short-sighted move.

"Santer passed up the chance for a real shake-up of portfolios," says an official who recalls that Mr Jacques Delors' first move in 1984 was to demand commissioners' resignations. But another longserving official says Mr Santer's tolerance of the status quo was clever as it reduced

scope for conflict.
Allocating portfolios is the Commission president's most demonstrable power, but interference by member states renders it something of a fiction. The question is how far Mr Santer can pick a team in which talent is given due weight and the Commission's role as umpire, power-broker

Mr Santer's greatest con- and policy catalyst is preserved.

His first problem is that there are not enough good jobs to go around - even more so now that the number of commissioners is due to expand from 17 to 21 if the Scandingvians and Austrians join the EU next year. At most there are five top jobs and five medium-sized portfolios; the rest are consolation prizes.

Trade and competition policy are in the top rank as they carry statutory powers and the authority to negotiate international agreements on behalf of member states.

ence the declaration of interest - some would say presumptuous - by Mr Yves Thibault de Silguy, the French technocrat who served as adviser to a French commissioner in the early 1980s.

Agriculture is also vital, not just because the Common Agricultural Policy accounts for half of the EU's Ecu70bn (£55bn) budget but because further CAP reform is crucial. Other attractive jobs include the economics portfolio (where the Commission has the right under the Maastricht treaty to recommend which countries qualify for monetary union),

and industry (where Mr Bangemann wants to expand his telecommunications brief).

Medium-sized jobs include environment (which might pass to an eco-conscious Swede); regional policy (for which Mr Neil Kinnock, the former UK Labour party leader may make a pitch); and social policy (a high-profile dossier to which Mr Padraig Flynn, the Irish commissioner, appears committed). Finally, there is the job of administering the single market. Many hope for someone more forceful than the incumbent, Italian diplomat Mr Vanni d'Archirafi.

Mr Santer's aides are considering an expanded "institutional affairs" portfolio to pre-pare for the 1996 inter-governmental conference to review Maastricht and liaison with the newly assertive European Parliament. There is also gossip about a new "turbocharged" transport portfolio overseeing proposed trans-European networks linking north and south, east and west through rail, telecommunications and gas pipelines. Transport may be offered to

Mrs Edith Cresson, former French socialist prime minister. Best known for comparing Japanese workers to ants and her aspersions on the sexuality of the British male, she is awaited in Brussels with some trepidation. The most pressing problem

remains reorganisation of the Commission. Mr Santer must decide whether to unscramble Mr Delors' most important innovation: the creation of a commissioner for external political affairs, currently Mr Hans van den Broek, former Dutch foreign minister.

He must also decide how to improve co-ordination between commissioners, their cabinets and the career civil service. Without action, the bureaucracy will creak along with its duplications and petty infighting. The most vivid example is the turf-battle between Mr van den Broek and Sir Leon.

It is a formidable challenge, Mr Santer might do well to ponder Mr Delors' response when told Greece wanted him to stay on for a few months while his succession was sorted out. "Never again," he

The abrupt announcement this week of the resignation of Mr Stephen Friedman, head of US investment bank Goldman Sachs, has caused a certain amount of hand-rub-bing in financial circles. Goldman is probably the most ferociously successful investment bank in the world. Last year it made \$2.7bn in pre-tax profit, most of which was divided among its 150 part-

This year, the markets have dried up or gone the wrong way, and Goldman's profthan half. Other firms have suffered too: but according to the rumour mill, the two events must be connected. First pride, then the fall: and Mr Friedman is paying the price.

This, says Goldman, is simple nonsens The volatility of markets is a fact of life, and it is no use blaming individuals. Mr Jon Corzine, who this week was named as Mr Friedman's successor, is co-head of the firm's bond business, where most of the losses were made.

The truth, according to Mr Friedman, is quite different. At 56, he is simply dogtired. An exceedingly wealthy man, he wants to exchange life on an aircraft for trout fishing at his country seat in Wyo-

There seems no reason to doubt him. His evident relief this week at handing on the burden of office would have been hard to counterfeit. The question raised by his departure is a different one. Mr Friedman looks young and fit for his age. If he were running an industrial concern like Dupont or General Motors, he would have at least five more years ahead of him. Goldman is notorious for its fanatical devotion to work. Has the point been reached where it is only a young man's

Not at all, says Mr Corzine, aged 47. One of the most productive members of the firm's management committee is in his late 50s. People's attitude towards work, he says, is a matter of individual taste. "Some people like reading, some like sports, some just like

Nevertheless, the Goldman culture can seem to the outsider slightly spooky, even monastic. Take, for instance, the apparent addiction to running. Mr Friedman is reportedly an avid runner, and Mr Corzine goes out four or five days a week, 3 or 4 miles at a time. A story from Euromoney magazine – possibly apocry-phal, but irresistible – tells of a bankers' meeting in London which broke up late in the evening. The other bankers tottered off to hail cabs. The Goldman team donned track suits and sprinted off in the

Though harmless enough, this seems symptomatic. The Goldman culture does not hesitate to reach into its members' spare time. The firm's published statement of business principles says: "We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives." Or, as Mr Friedman put it in last year's annual review: "We recognise . that we must be prudent in our busi-

Bank for millionaire monks

Tony Jackson assesses the changes in management and profitability at Goldman Sachs



Stephen Friedman: gone fishing

ness and personal planning and in our lifestyles.' It is a principle from which Mr Corzine does not dissent. What matters for a financial institution, he says, is reputation, both public and private. "We don't try to dictate terms on how people handle their personal lives, but as a partner and der you have to be credible.

The private nature of the firm obviously plays an important part in its success. This week's announcement, however, set another hare running in the financial press: the familiar rumour that Goldman virtually unique among banks of its size in retaining its partnership structure - is hungry for capital, and may have to consider going public.

Mr Corzine, like Mr Friedman before him, gives this short shrift. The firm is always looking to raise capital, he says, if the terms are right. It raised \$200m of equity from financial institutions last year. Something under a quarter of its equity belongs to outsiders at present. But going public, he says, "is not on my practical agenda today, nor on my primary agenda for the future". Perhaps the real threat to privacy

Last year's \$2.7bn profit was rather larger than Goldman's entire wage bill. That is, the 150 partners received more in aggregate than their 8,000-odd em-

ployees.

The question of fair distribution, says Mr Corzine, is a perennial one for Goldman. Compared with 10 or 20 years ago. the system feels to him fairer than it was, "though of course, I may be biased". More fundamentally, he argues, the bulk of the profit is left within the firm to make a return going forward for partners and employees alike. "You must remember that the vast majority of that money is reinvested and at risk."

This is perhaps a little disingenuous. Anyone earning around \$15m a year, as the average Goldman partner did last year, will aim to invest the bulk of it for the future. Goldman's equity capital at the start of last year totalled \$3.7bn, so the \$2.7bn of profit represented a return of 73 per cent. Faced with an opportunity like that, no investor in his senses would put his money anywhere else.

🕇 or Goldman's employees, jostling around below partnership level, one obvious question is how many partners the firm can take on without exploding. According to Mr Corzine, this is not an immediate problem. "At some point the group gets too extended to be a community of interest. That's probably not 250." In any case, he points out, expansion is not inevitable. Theoretically, if opportunities in the financial arena were to decline over the next decade, we could have fewer part-

This brings us back to the question of current trading. It has been, in Mr Corzine's restrained phrase, a difficult year: not just in the turbulent first quarter, when the Federal Reserve Board raised US interest rates unexpectedly, but in successive quarters as well. A lot of money was raised in world bond markets in 1992-93, when interest rates were low, That was a great window of opportunity, and a lot of people jumped through it," he says. Business this year is down accordingly; Goldman's underwriting of municipal bonds, for instance, is down 50 per cent by volume.

"So some of our vital core business has slowed dramatically," Mr Corzine says.
"That might go on for another couple of years. No one can predict." Meanwhile, 1984 looks like joining 1979 and 1987 as a memorably bad year for the industry: not as bad as the other two, says Mr Corzine, unless maybe you were focused on Euro-pean bonds. "It might depend on what generation you put the question to."

This does not mean, he insists, that Goldman is pulling in its horns. "There are lessons to be learnt. You get overly optimistic in the bountiful environment of bull markets. It was very easy in 1998 to think you ought to have a presence in every capital market in every major country in the world. There are ways of doing things more efficiently. But that's not retrenchment. It's adjusting the pace of

Car a persuasive option

From Mr Michael Landon. Sir. Richard Donkin asks (Jobs: September 14): "Why do we persist with the company car as a form of reward?" The answer is quite simple. It is still a very cost-effective way of providing a benefit to

employees. The typical cost to an employer of providing an employee with a car priced at \$20,000 is about £9,000 a year (including private fuel and Class 1A national insurance contributions).

The cost (including employer's National Insurance contributions) of paying an employee a sufficient cash allowance to operate a similar car himself out of after-tax earnings is | London SW1H 9LL

Employees understand this

quite well. Our recent survey. Company Cars and Flexible Benefits, shows that 90 per cent of employees who are offered a cash allowance instead of a company car choose to stick with the cars. The average cash allowance of £6,000 a year for £20,000 cars is not sufficient in most cases to persuade them to take on the costs of running their own

Michael Landon. senior consultant, The Wyatt Company (UK), Park Gate. 21 Tothill Street, Westminster,

Heritage taxed to extinction

From Mr Alan Ipekian. Sir, Antony Thorncroft's article, "Houghton Hall plans winter sale". (September 10/11) underscores the mutually exclusive ends of the Treasury and the Department of National Heritage: taxing the aristocratic domains to near extinction while seeking to pre-

serve the heritage of the nation. With little revenue and contents sold, maintenance costs coupled with unbridled taxation should surely end the greatness of any country

Alan ipekian, 1400 Dixie Road, Suite 1409, Mississuaga, Ontario, Canada

house.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938, Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Policy change a threat to home owners

From Mr Andrew Longhurst. Sir, Your report, "Plan to base mortgage benefit on 'standard' interest rate" (September 14) raises a number of issues.

In December 1991 the Council of Mortgage Lenders and the government took a number of initiatives to help solve the problem of rapidly increasing mortgage possessions and arrears. Since that time the number of possessions has fallen by more than 35 per

A key policy change was the agreement of the government

income support direct to mortgage lenders rather than to unemployed borrowers. In the knowledge that

income support would be paid direct, lenders agreed not to take possession in cases where mortgage interest payments are covered by income Mortgage lenders generally

currently adhere to that agreement. However, it will not be possible for them to do so if. as reported, income support payments are made on the basis of budget,

to make the payment of a "standard" interest rate which is less than the mortgage interest due. Under those circumstances

no borrower claiming income support will be in a position where their interest payments are covered by the Department of Social Security. The inevitable result, in what now seems likely to be a period of rising interest rates, is an increase in the number of arrears and possessions, with consequent increased pressure on the government's social housing

There is no getting away from the fact that, having encouraged people out of public rented accommodation into home ownership, the government is now considering cuts which will pull their hearth rugs from under them.

For many, losing their job will mean losing their home if income support for mortgage interest is cut back. Andrew Longhurst, chairman.

Council of Mortgage Lenders, 3 Savile Row,

Absence of hat gives food for thought when choosing a restaurant

From Mrs C A McCann. Sir, I refer to the FT guide, "Eating out in London", which

accompanied the issue of September 10/11 and, in particular, to the photograph of Marco Pierre White of the Hyde Park Hotel Restaurant which accom-

panied your article, "Attractions all their own". I was amazed that Marco Pierre White was not wearing his chef's hat, nor were any of his colleagues for that matter. Also, Mr White's long forelock

ous" angle over the food he was working with. The photograph resembled a scene from "Joe's cafe" rather than a kitchen in a top London hotel. By comparison, the chef at the Connaught Hotel, featured

site page, is dressed in his "whites" and hat, as are his colleagues also pictured. In the circumstances, I think I will opt to dine at the Connaught! C A McCann, 46 West Drive,

appeared to be at a "danger- in "At a glance" on the oppo- | Caldecote, Cambridge CB3 7NY

Enterprising university

From Professor Gordon Compay.
Sir, The University of Sussex

was built "...far removed from the inner cities", according to John Authers and John Willman ("Dreaming spires on city rubble", September 10/11). But the campus is only 5 miles from the centre of Brighton, a town which has suffered more than most in the recession and is characterised by levels of unemployment and poverty normally associated with the large conurbations.

Our response, in partnership with the University of Brighton, Brighton College of Technology, the local authorities and the Sussex Training and Enterprise Council, has been to create an academic cor-

ridor designed to stimulate the growth of enterprise based on 21st century technology. We have raised £2m from Brighton and East Sussex councils and Seeboard for a

flagship innovation centre

which is to be launched next

week as an event during the

corridor's "Festival of Innovation". We believe it is possible effectively to marry research of international and national excellence to significant growth in the local economy, and that the key to success lies in this kind of partnership,

vice-chancellor University of Sussex, Falmer. Brighton BN1 9RH

Gordon Conway,

Root out 'spiv' culture too

From Mr Neil Kerr. Sir, It is encouraging that Mr John Major has declared war on "yob culture" ("Major attacks 'yob culture' in fresh law and order drive", September 10). Perhaps his next campaign could address problems

dent - and equally pernicious - "spiv culture". But maybe, as a predecessor, Sir Robert Walpole discovered in an earlier century, this culture has its roots far too close to home. Neil Kerr.

arising from a similarly evi- | London N1 1EP

Post, the Coventry Evening

Telegraph and the Sunday Mer-cury had actually increased. There had been extra costs

owing to "imprecedented levels of sales promotion". Mr Oakley said the fact that

the Birmingham Post had

increased circulation demon-

strated "the strength of

regional newspapers". The results came the day

after MIN announced that it

had teamed up with Mirror Group to develop cable televi-sion programming. Mirror plans a 24-hour cable channel

and MIN will produce local

Midland Independent

doubles after listing

Next advances 60% to £37m

Cautious statements on future trading led to a 15p fall in the share price of Next, the fashion retailer, to 243p, in spite of a 60 per cent rise in interim pre-tax profits from £23m to £36.9m.

The profits exceeded forecasts of between £32m and £35m, and the interim dividend is raised 83 per cent from 1.5p to 2.75p - beating the highest forecasts of 2.5p.

Next also said sales were

currently running 13 per cent

However, the market seized upon a warning from Mr David Jones, chief executive, that Next would come up against "more demanding" comparative sales figures in the months before Christmas, which might make it difficult to maintain the same percent-

He said sales at this stage last year were running 10 per cent ahead of 1992, but by Christmas the total increase had reached 18 per cent.

His caution led to fears that Next's recovery since the early 1990s was largely complete and that future growth would be



"They made it quite clear it is going to be difficult to get much more out of the business." said Mr Nick Hawkins. retail analyst at Kleinwort

Next is trying out four stores in the US, but said it would not decide whether to expand there until next year. US trading losses and start-up costs were £900,000, down from £1.1m last

The group is also launching the natural cosmetics chain Bath & Body Works in the UK, in a 50:50 joint venture with The Limited, the chain's US parent. It expects to have five

stores trading by Christ-

Group sales in the six months to July 31 increased from £233.2m to £274.5m, and operating profits from £20.1m to £32.9m.

in operating margin from 8.6 per cent to almost 12 per

Mr Jones said there was little inflation in selling prices, and the amalgamation of Next's high street and mail order ranges had enabled it to get better buying terms from suppliers.

Sales in Next's 302 stores increased by 19 per cent to £191.6m (£160.9m), with operating profits up from £11.8m to £19.1m. Mr Jones said Next would continue to try to increase the size of some of its

Turnover in Next Directory, the mail order division, also rose by 19 per cent, from £46.5m to £55.3m, and operating profits from £3.5m to £5.9m. Total profits from the Club 24 credit management business were unchanged at £5.9m.

Profits from other activities. including property and the Callscan software business, were £2.9m Net interest receivable was

£4m (£2.9m). After tax of £9.7m (£2.6m) earnings per share worked through at 7.3p compared with

Harrods prepares **Kurt Geiger** for market

Harrods Holdings, the group owned by the Fayed brothers which includes the famous London department store, is preparing Kurt Geiger, its upmarket shoe retailing sub-sidiary, for a stock exchange flotation next year.

Midland

aconicitions

By Peggy Hollinger

Independent

Newspapers, publisher of the Birmingham Post and Mail,

yesterday published its first

results since listing on the

London Stock exchange, with pre-tax profits more than dou-

bled to £4.8m for the six

Pro-forma profits, stripping out the effects of interest on

debt left over from a manage-

ment buy-out, saw a rise of 28 per cent to \$7.7m (96m).

Mr Chris Oakley, chief exec-

utive of MIN, which also pub-

lishes specialist magazines,

He emphasised that the

group was successfully count-

ering the national newspaper

price-cutting war and that the circulations of the Birmingham

Betterware, the direct selling

group, lost more than a third of its market value yesterday

as it issued its third profits

23p to 50p, having plummeted over the last 14 months from a

peak of 278p. Analysts pulled

back full-year forecasts from

Mr Andrew Cohen, chief executive, said first half oper-

ating profits were not expected

to be more than £4m, compared

The decline was blamed on difficulties recruiting people to

distribute catalogues in the

UK, stock delivery problems

arising from the move to a new

distribution centre, and

warning in five months. The company's shares fell by

£11m to about £9m.

with £7m last year.

Another warning

from Betterware

months to the end of June.

The group has confirmed Mr James Walsh, who has been acting chief executive of Kurt Geiger for several months, in the role and said it was the beginning of a process "intended to lead to flotation as a public company next year". That would include the appointment of a non-executive chairman

Mr Walsh, 45, was previously group finance director. His successor in that role is Mr Omar Bayoumi, 39, recruited from SG Warburg, the merchant bank, where he played a prominent part in the Fayeds' £413m flotation of the House of Fraser department store chain. Mr Bayoumi will also be chief financial officer of Harrods department

Kurt Geiger is one of several businesses, including Turnbull & Asser, the shirt maker, and the Cariton Highland Hotel in Edinburgh, that remained with Harrods when House of Fraser was floated.

It has two trading names, Kurt Geiger and Carvela, with 110 outlets in the UK, including standalone stores in Lon-don's Bond Street and Sloane Street, and many concessions in department stores - particularly in House of Fraser. It is the biggest shoe retailer in London stores.

It made operating profits last year of £4m on sales of £52.8m. Analysts said those figures suggested a flotation might value the business at about £30m-£40m

Harrods said Kurt Geiger stood "an extremely good chance of trading successfully as an independent company".

Electricity companies'share buy

Three electricity companies reported share buybacks yes-terday. Manweb said it had bought 1m of its own shares at 835p on Thursday, taking to 3.15m the total purchases, repequity.

Norweb said it had bought

1.5m shares at 795p yesterday This represents 0.87 per cent of the share capital immediately prior to the purchase. Also South Wales Electricity bought 400,000 of its shares at

programmes for the Birming-ham area. Mr Oakley believes said: "Prospects for regional newspapers are good and we the local Birmingham seghave identified opportunities ments could begin at two to three hours a day and increase for expansion by a number of newspaper launches." Talks to five to six hours a day. The company's free newspaare under way about possible

pers in Birmingham, which have been loss-makers in the first half of 1993, have now come into profit. The profit margin on the group's newspaper publishing operations is

national expansion. Betterward

\$5m (£3.2m) over time in a

joint venture, also announced yesterday, with Avon, the

world's largest direct seller of beauty products, to sell house-

hold products in North and

Mr Cohen said the cash-rich

Betterware was not in any seri-

ous difficulty, in spite of the market's reaction. "We have an

exemplary record on past per-formance, we make full disclo-

sure, comply with Cadbury. We

have never failed to do some

thing we said we would do.

The one thing we have failed

to do is meet analysts' expecta-

The group issued a caution

on trading in May with its annual results and again in

South America.

tions," he said.

has committed to provide up to

reflecting the impact of a full half year's contribution from lower margin free weeklies in the East Midlands.

Following the March public offer, which raised £96m net of expenses at the end of June. MIN's net borrowings stood at £37.8m, down from £134.8m at the end of December.

Operating profits were up 15 per cent to £9m (£7.8m) on turnover that rose from £37.7m to £45m. Earnings per share were up at 3.81p (2.59p) - pro forma an increase of 22 per cent to 5.14p (4.21p). The interim dividend is 1.1p.

Sir Norman Fowler, chairman, said although total advertising revenue grew there were wide variations across categories. Recruitment advertising showed strong growth while cars and property had yet to show significant improvemen Pre-tax profits for the full

year are expected to be £15m to £16m. The share price closed 14p down at 140p.

Bruntcliffe jumps and sells lossmaker

Bruntcliffe Aggregates, the quarry and quarry products group, reported pre-tax profits sharply up from £132,000 to £792,000 in the six months to

end-June. Despite "unusually severe weather conditions during the first quarter" in Scotland and the US, volumes in the aggregates business recovered well, the directors said, and profitability in the division had exceeded budget.

The performance of Lorasen Coal in the US continued to be disappointing with losses of £374,000. It is being sold to Lorasen Inc., a subsidiary of Mineral & General Investments, for \$2,42m (£1,56m). Turnover totalled £9.4m (£305,000) with £2.06m from

An interim dividend of 0.4p is being paid from earnings per share of 0.9p (1.1p).

44% rise in malt sales helps Macallan-Glenlivet to £2.6m

By Roderick Oram, Consumer Industries Editor

A surge in sales of Macallan single malt whisky helped Macallan-Glenlivet lift interim pre-tax profits by almost onefifth from £2.16m to £2.58m.

In a Scotch market that remains sluggish after the recession, Macallan single malt sales rose 44 per cent overall with the UK and US showing gains of more than 30 per cent. "This is some kind of realisation of all the work we've done over the years," said Mr William Phillips, managing direc-

tor. All of its more than 25 export markets were profitable. Several analysts, surprised by the jump, attributed some of the rise to restocking by Macallan's distributors and the effect of new distribution agreements made in recent

years. Sales to drinkers were thought to have risen more slowly

The second-half advance would be more moderate, Mr Phillips added, but the trend was to a "significantly higher level of growth" than in the

On turnover of £7.14m (£6.49m) for the six months to June 30, operating profits rose 25 per cent from £1.88m to \$2.34m thanks to increased volume and cost savings. Net interest received slipped from £279,00 to £233,000.

The interim dividend is increased to 0.41p (0.36p) from earnings per share of 1.57p (L37p). New fillings, purchases by blenders of Macallan's newly distilled spirits, fell by 30 per

cent from a year earlier. The decline, which began several

years ago, should bottom out this year, Mr Phillips said. Sales could begin to recover next year but would certainly do so in 1996.

Confident of growth, Macallan's has stepped up its whisky stocks and is finishing off the fitting out of a 35m litre warehouse built in 1989.

CH Bailey in red

CH Bailey, whose principal activities are engineering, ship repairing, leisure and business and financial management, incurred pre-tax losses of £189,710 for the year ended March 25 1994, compared with profits of £446,379. Turnover was down 27 per cent from £3.71m to £2.7m. Losses per share were 0.32p

(0.74p earnings).

increased investment in inter-Quebecor ends offer talks with Hunterprint

publishing and forestry group, Hunterprint, the lossmaking UK printer.

The Montreal-based newspaper publisher and commercial printer, announced last month that it was considering making an offer for debt-laden Hunter-

In a brief statement yester-

day Hunterprint's board said it understood Quebecor had Quebecor, the Canadian decided not to proceed, "as a result of a change in its strate-

The statement added that Hunterprint was trading in line with the projections it had supplied to its bankers when it sold Hardy Printers, its only active subsidiary, to a management buy-out team for £1.85m in early Aug-

Pearson ups Recoletos stake to 47%

By Raymond Snoddy

Pearson, the media and entertainment group, has increased its stake in Recoletos, the Spanish publishing group, to 47 per cent.

The additional stake of 8 per cent cost about £12.4m. valuing the company, which publishes Expansion, the business and financial daily, at about

Mr Frank Barlow, managing director of Pearson, bought a small stake in Recoletos more than five years ago when he was chief executive of the Financial Times. It was part of a policy of taking stakes in publishers of business and financial titles around the world. Since then Pearson has been building its stake in the group with the consent of the Spanish shareholders.

It seems likely that Pearson will eventually take control of the group, which also publishes Marca, Spain's top sev-en-days-a-week sports paper. The Recoletos titles also include Telva, a women's magazine, and Diario Medico, a daily medical paper.

Correction

S&U chairman

Mr Derek Coombs, chairman of S&U, was incorrectly named in a report on the consumer credit company's results pub-

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FINANCIAL TIMES

ter of blue-chip pension scheme clients in the 1980s, the first half of 1994. The average price during the period was \$14.1, against \$18.13

RBC sells fund investment activity

Royal Bank of Scotland has reached a tentative agreement to merge, Capital House Investment Management, its fund management subsidiary, with Newton Investment Management. RBS would take a one-third stake for £25m in the combined entity, writes Norma Cohen.

The move creates a new institution with RBS said last spring it was holding talks with Newton, one of the most successful UK managers of institutional pension fund assets. It has about £5bn of assets under management.

The move stunned the industry. Newton has a policy of limiting the pace of its expansion, saying it will never take on more new assets than it can successfully

Mr Jonathan Powell, marketing director at Newton, said the privately-held group agreed to the transaction because it would greatly expand its non-pension fund investment activities. Two-thirds of Capital House's assets are those of private clients, unit trusts and Personal Equity

In addition RBS would market Newtonmanaged unit trusts exclusively through its 750-branch network.

Under the terms RBS will take a 33.16 per cent stake in the new company by

capital to Newton in exchange for new Newton shares and the nurchase of existing shares from Newton shareholders. These include Mr Stewart Newton, a founding partner, and about 50 others. The deal, which is expected to be concluded before November 30, allows some of the partners to be paid in long-term notes which can be exercised at a time when it will be tax advantageous for them to do

It has also been agreed in principle that Newton will have the right to require Royal Bank to subscribe for up to £10m of

Seeking support from a competitor

Norma Cohen on the background to Newton Investment's expansion

The decision by Newton Investment Manage-ment, arguably the most successful independent pension fund manager in the UK, to take over the assets of a much weaker competitor is a sign of the times. The move surprising, how-

ever, because Newton has made much of its desire to slow its expansion, closing its doors to new clients for a two-year period in mid-1992. While fund management companies concentrated furi-ously on building up their ros-

retail services at most houses faded to the background. But now, with pension fund regulatory reform on the horizon, and a growing recognition of the fickle quality of pension fund business, fund manage-

fund managers, including Mercury Asset Management, the largest in the UK, have decided to concentrate on building up their retail businesses for fear of becoming too vulnerable to a downturn in the pension fund market.

"From Newton's point of

ing their mix of business.

view, we have a lot of depen-dency on one area of the business. We want to diversify,' said Mr Jonathan Powell, marketing director. About four-fifths of Newton's existing £5bn in assets under management are those of pen-

sion schemes, with the balance split between private client funds and retail products such as unit trusts and Personal Equity Plans.
"Private clients will stick

ment companies are re-thinkwith you through thick and thin as long as you make profits for them over time," Mr Powell said. "Pension funds Recently, several leading

> immediately." Newton has calculated that needs a mix of businesses if it is to be able to count on long-term growth. The move-ment of pension funds into the hands of fund managers is largely determined by a hand-ful of pension consultants.

> If Newton should lose favour with these, its future would be in doubt, Mr Powell said. The mix of business at Capi-

> tal House Investment Management, the subsidiary of Royal Bank of Scotland, with which Newton is merging, is almost a mirror image. Capital House has only one big pension fund client, Royal Bank's own pension scheme with about £1bn

in assets. The remainder of its £3bn is in retail funds and pri-

Their performances also con-trast greatly. Data from Combined Actuarial Performance Services show that in 1993, Newton's median segregated pension fund returned 37.4 per cent against an industry

median of 29.2 per cent.
By contrast, the RBS Pension
scheme earned returns 5 percentage points below the CAPS median in 1993.

However perhaps the most significant reason for Newton was the access the merger would give it to a distribution outlet for its retail funds.

"The big growth in the retail area is through bancassurance," Mr Powell said. "We are the only independent fund manager with access to a bancassurance outlet."

_		_			_
Low	oil	prices	hit	Aran	Energy

Exceptionally low oil prices contributed to pre-tax profits at Aran Energy, the Dublinbased oil exploration and production company, falling from 193.37m to 191.11m (£1.09m) in

offsetting an increase in pro-duction to 13,600 barrels of oil

equivalent per day compared with 8,570 boed last year. Turnover was 1£37.8m (I£31.2m) for operating profits of ILL91m (IL8.37m). The company is establishing an American Depositary

Receipt programme on the Earnings per share came out

DIVIDENDS ANNOUNCED

Midland Ind News.....in

Dividends shown pence per share net except where otherwise stated. †On

COMPANY NEWS: UK

Australian property portfolio could be worth up to A\$500m

Hammerson sale attracts MEPC

MEPC, the UK's second largest property company, has joined a large number of property investors negotiating the pur-chase of Hammerson's Australian property portfolio. The portfolio was valued at £175.9m in December, but could fetch

as much as A\$500m (£238m).
Under the guidance of Mr Ron Spinney, who took over as chief executive 15 months ago, Hammerson has been looking to realign its portfolio, concen-trating on the UK and continental Europe.

It has received approaches from up to seven investment groups, and has indicated that it plans to sell its entire portfolio, assuming sufficiently Trust and Schroders. attractive prices.

The main asset in the portfolio is the 1.05m sq ft Warringah Mall shopping centre, the second largest in the country, which is situated on Sydney's north shore. The centre is fully let, and Hammerson has planning permission for an exten-

MEPC Australia has confirmed that it is interested in the portfolio, as has AMP Investment, the investment arm of the Australian insurance group.

MEPC recently raised A\$1bn in debt to fund Australian acquisitions. Other interested parties are understood to include Lend Lease, Bankers

Hammerson has made it clear that it is in no hurry to dispose of these assets, which were marked down by close to 30 per cent in the previous two

However, Australian property values have surged this year and analysts estimate that by the year end the Ham-merson portfolio could have appreciated in value by up to 10 per cent, with stronger growth to come in 1995. The bulk of the portfolio was

acquired during the early 1970's, although the Warringah Mall development was started Investors' attention has been

focused on the retail develop-

tively. The portfolio had a 1993 rental income of £16.3m. Hammerson has gearing of about 60 per cent and is expec-ted to have year-end net debt of about £750m. The sale could cut its debt by close to one-third and save the group about

ment. At the year end Commu

nications House and 500 Col-lins Street, both Melbourne

office properties, had occu-

pancy rates of only 14.7 per

cent and 68.5 per cent respec

Analysts said Hammerson would have to find attractive pricing to justify the Austra-lian sale, as the portfolio currently offers a yield of about 9

£1m a year in administration

US advance helps Keller to £3.01m

By Richard Wolffe

Pearson &

Recoletin o

Keller, the international ground engineering company, reported a 40 per cent rise in pre-tax profits for the six months to June 30 after strong sales in North America.

Profits rose from £2.15m to £3.01m in its first results since flotation in April, when shares were priced at 130p giving a market capitalisation of \$72.8m. Yesterday the shares closed up 3p at 129p.

£10.5m from acquisitions, and operating profit rose 28 per cent to £3.64m (£2.85m) after a £400,000 contribution from Case

Turnover was £89.1m (£69.5m), including

International, the Chicago-based foundation engineer acquired in January.

Mr Michael West, chief executive, said:

"Our order books at the half-year were well ahead of the same time last year, and that stronger order book was still in place at the end of August."
In North America sales increased from

£13.3m to £28m, helped by the Case purchase, for profits of £1.33m, compared with £789,000. In Germany trading volumes remained

high although the group, a former engineering offshoot of GKN, warned of tightening margins in western Germany where market conditions were increasingly competitive. Continental Europe contributed profits of £1.75m (£1.79m) on turnover of £47.2m (£43.5m). UK turnover was £13.9m (£12.7m) and

profits more than trebled to £345,000 (£101,000), reflecting improved trading conditions and the start of infrastructure projects on the Jubilee underground line and Heathrow Airport rail link. Group net interest costs fell to £631,000 (£689,000). Net borrowings at the period

end were £4.4m for gearing which would reduced to 14 per cent.
An interim foreign income dividend of 0.5p is being paid from earnings per share

Fired Earth back in black at £60,000

Despite virtual stagnation in the underlying market for ceramic tiles, Fired Earth reported pre-tax profits of £60,000 for the six months to June 30, compared with a loss of £94,000.

Turnover was up slightly from £2.26m to £2.52m. Earnings per share were 0.78p (1.25p losses). Mr Nicholas Kneale, the

chairman, said that lower costs and the "gathering momentum" of sales of new product lines in natural floor coverings had helped the company move back into the black.

Advance of 18% comes as no surprise to James Crean

By Peter Pearse

James Crean, the Dublin-based industrial holding company which had a IE62m rights issue in April, lifted pre-tax profits 18 per cent to I£9.05m (£8.91m) in the first half of 1994.

were in line with expectations. However, in the food and beverages division, which operates mostly in the US but includes the sole distributor of Mars confectionery in Ireland, there were flat operating profits of Lean on turnover up 19 per cent at 1978.1m (1965.1m).

the sales growth derived from two product launches in the US frozen foods market, involving the one-off payment of "slotting costs" to supermarkets to make shelf space.

Inishtech, the paper and Mr Brian Molloy, chief operating officer, said the results packaging company of which Crean holds 71 per cent, also had flat profits - at IE4m on turnover of I£29.8m (I£27m). This, Mr Molloy said, was due to softness in the label business and the loss of a customer which accounted for 10 per cent of sales. Electrical wholesaling lifted profits to I£1.1m (I£800,000) on

Mr Molloy said two-thirds of turnover of I£23.1m (I£19.7m) as UK markets emerged from recession. Office products made I£1.2m (I£800,000) on sales of 1£10.6m (1£10.1m). Crean is hoping to buy the

balance of Inishtech, probably in a share swap. Beyond that, the rights issue, which reduced borrowings to IE18.8m for gearing of 15 per cent, should fund acquisitions across the group. Group turnover totalled I£128.3m (I£120.9m, including IE12.9m from discontinued operations). Earnings per share rose 11 per cent to 13.5p (12.2p)

and the interim dividend is

lifted 5 per cent to 5.925p.

Montague told of loan plans says **Royal Bank**

By Simon Davies

The Royal Bank of Scotland claims it held lengthy discussions over its £2.3m loan to Mr Robert Montague, Tiphook's founder and chief executive, and gave him one week's notice before issuing its bankruptcy petition.

The bankruptcy proceedings vere revealed to Mr Montague by a shareholder's representa tive at Thursday's annual meeting, where he had been attacked for his excessive

Mr Montague appeared shaken by the news. He is ada-mant that be is not in financial difficulties, and had no forewarning of the bank's

He has retained the suppor of Tiphook's own bankers and Mr Ian Clubb, its newly-appointed chairman. Both confirmed that their commitment to the group was unaffected by Mr Montague's personal financial position.

However, if he were to be declared bankrupt, he would have to step down from the board which has declared that he is key to its survival.

The loan is understood to be

linked to Mr Montague's farming businesses in Oxfordshire. It appears that changes in the terms of the loan had been under negotiation for some

Mr Montague has sold his Highland cattle breeding activities due to high costs. But with homes in Oxfordshire and Knightsbridge, London and a notoriously-high salary, he was always considered a man of substantial means.

The petition was announced by Mr Paul Snook, an accountant with Buchler Phillips, who said he was acting as proxy for Lehman Brothers, and had learnt of the moves through standard enquiries.
It appears that Mr Snook

also held a proxy on behalf of Ms Carole Ritchie, as a representative of Pickering Kenyon solicitors, who are retained legal advisers to the plaintiffs in the US class action against Mr Montague bas six weeks to resolve his differences.

Tropical storm disrupts Geest's banana supplies

Banana supplies to Geest, whose shares fell sharply early in the year following disease on its Costa Rican plantations, have been hit by a tropical storm in the Windward

Shares in the group fell 30p to 211p, almost half the year's high of 375p.

Tropical Storm Debbie hit the islands a week ago, causing extensive flooding around St Lucia and damage to roads and bridges. Geest, which is under contract to ship all the islands' bananas, estimates that output will be 40 per cent down.

It expects to load only 2,400 tonnes a week, compared with a normal load of 4,000 tonnes. The islands, which usually provide more than half the group's total banana volume. are not expected to return to full production until the end of next year.

The EC's Banana Management Committee, which meets next Wednesday, will consider how the disaster should be treated under the banana

Mr David Sugden, Geest's chief executive, said the group

to £0.73m

half of 1994.

Railways ahead.

cult to predict.

USM-quoted maker of toys and model products, reduced pre-tax losses slightly from 2791,000 to £733,000 in the first

chairman, said there were

signs of a recovery in con-

sumer spending, albeit slow,

but the all-important Christ-mas trading period was diffi-

The Clever Cook toy oven

was proving popular and the

Gladiator range, based on

the television programme, continued to sell well, he

Losses per share were 5.4p

make up the shortfall, and import them into the UK at the same tariff. He attacked the political

uncertainty still surrounding the regime, as it is unclear whether the commission has the power to determine the tariff on alternative supplies. "It is a nonsense that, a year into

was lobbying the European

Commission to allow it to buy

bananas from other sources to

the regime, we are sitting here in this position because of an incident that was eminently foreseeable."

He is expecting some support from the French as the banana industry in Martinique also suffered from the storm.

Geest will announce its interim results next Thursday. The City is expecting about £12m, against £3.5m, following improved banana prices.

Market placing puts Hornby cuts losses slightly Ryland at £22.72m

David Sugden: seeking permission to buy from other sources

By Caroline Southey

Shares in Ryland Group, the family-owned vehicle distributor coming to the market through a placing, were priced at 80p yesterday, valuing the company as £22.72m.

Turnover rose from £8.12m Following the placing of 10.94m shares, which will raise a net £7.48m, there will be to £8.54m with demand for both Scalextric and Hornby Mr Malcolm Thomas, the 28.4m shares in issue.

The Midlands-based group has 30 franchised operations based primarily in the West Midlands, the North West and northern Ireland. It has distribution agreements with BMW, Mercedes, Nissan, Vauxhall, Toyota, Honda and Renault.

Mr Peter Whale, chairman and chief executive, said he believed the underlying demand for new and used cars was improving and that strong regional trends were emerging.

Ryland would be looking for acquisitions to increase its franchise spread but remain geographically focused.
"If we remain geographically tight we can achieve some syn-

ergies," he said. After the placing the directors and their families will hold 39.5 per cent of the

enlarged share capital.
Ryland was established in 1951 by Mr Whale's grandfather, Mr Harry Whale, who started the business by selling trucks in Birmingham.

Ryland reported pre-tax profits of £2.04m (£773.000) in the year to April 30 on turnover ahead at £189.6m (£156.6m). Unit sales for the year stood at 7.6m against 3.73m.

The shares are expected to begin trading next Thursday. The placing has been sponsored by Albert E. Sharp & Co.

INTERNATIONAL COMPANIES AND FINANCE

ITT looks to expand through asset sales

By Richard Tomkins

ITT, the US financial, leisure and manufacturing conglomerate, yesterday confirmed it was seeking buyers for its ITT Financial subsidiary, a middleranking US finance company, in a sale that could fetch

between \$3bn and \$4bn. ITT said the proceeds would be used for general corporate purposes, but it is understood the group wants to use at least some of the funds to pay for a big expansion of its leisure and

entertainment business. This could even include a bid for General Electric's NBC television network. Goldman Sachs was yesterday appointed advis-

ers to the sale. Mr Rand Araskog, chairman and chief executive, said yesterday ITT was selling ITT Financial because it wanted a greater balance between its financial service, manufacturing and hotel and entertain-

ment businesses.
At present, the financial side dominates the other two divi-

the US. Hartford is not being

lock braking systems.
ITT Financial offers a range

sions. Apart from ITT Finan-

cial, it includes the Hartford cial equipment and real estate insurance business, one of the loans, small business loans, biggest operations of its type in home mortgages, consumer Warner, the US media and

Although ITT's existing leisure and entertainment interests include the Sheraton hotel group, they rank behind the manufacturing side in terms of turnover and profit. The manufacturing arm includes a big auto parts unit making anti-

of services to businesses and individuals, including commer-

loans, and related insurance products. Last year it made net profits of \$205m on revenues of \$1.44bn.

Possible buyers would include other finance companies in similar business areas. One candidate is GE Capital, part of General Electric. ITT's reported interest in

acquiring the NBC television network from General Electric raises the possibility of a part exchange. However, General entertainment group. ITT has been sidelined pending an outcome of talks between the

other two parties. ITT's interest in NBC follows its acquisition last month of Madison Square Garden sports and entertainment complex for \$1.1bn, in partnership with Cablevision Systems, a US cable television company. ITT is also in the process of taking over Ciga, the Italian luxury

for fear that a record amount of overseas issues of equity-

linked bonds by Korean compa-

nies would increase inflationary pressure, as they brought the funds into the country.

The ministry recently ban-

ned overseas bond issues for

the fourth quarter after this year's ceiling of \$1.25bn was

reached. However, it has now

raised the ceiling to \$1.28bn to accommodate the Posco listing.

It has also allowed Kepco to

replace a planned \$300m bond

issue with the depository receipts, so it could acquire the New York listing.

The companies are awaiting the approval of the government's Foreign Investment

A cabinet committee on broadcasting, headed by Mr Shankarrao Chavan, the home minister, has recommended that the Indian private sector be allowed to set up extra-terrestrial television stations. However, it does not favour the entry of foreign television companies into India.

Analysts say the govern-ment is unlikely to approve the Time Warner-RPG project, the first foreign-equity proposal in the Indian electronic media, until it formulates policy on the entry of foreign

video parlours, movie halls, fast food outlets and shopping complexes.

The new project, if it is cleared, will challenge the near-monopoly of Mr Rupert Murdoch's Star TV in the region. India accounts for nearly 40 per cent of Star's 1.2bn viewers in Asla, and a host of Indian and international companies are keen to enter the growing market. Star, which has a 49.9 per

cent stake in Zee, the popular Hindi language channel, and has recently bought a 49 per cent stake in United Televi-

Montedison back to the black with L289bn pre-tax

By Andrew Hill in Milan

minority interests of L289bn (\$184.6m) for the six months to June, compared with a loss of L369hn in the first half of 1993 About 30 per cent of Montedison is controlled by Ferruzzi

the announcement was made at lunchtime. The share price immediately rose by more than 5 per cent to a high of L1,452, before falling back to close at L1,390, up L11.
The results demonstrate the benefits of the drastic restruct-

out by the current manage-So far, Montedison has raised some L1,100bn by hiving off non-strategic businesses to concentrate on the principal activities of agro-industry,

In the first six months of the

L4.416bn to L11,425bn, and financial charges in the first half of 1994 were L264bn lower than in the equivalent period. Profits in the first six months of last year were also

undermined by the need to write off extraordinary losses of L353bn, following revelations at a dramatic shareholder meeting in June 1993 that group losses were 35 per cent higher than originally announced. The current board, headed

by Mr Guido Rossi, took over immediately after that meeting, spawning a series of lawsuits and counter-suits in its attempts to recover damages from its predecessors, the Fer-ruzzi family, and the group's former auditor Price Water-

The group's gross operating profit rose to L1,385bn in the first half of this year, from L1,296bn in the same period last year. The figure for last year was restated because of changes in accounting rules. Net operating profits grew by 10 per cent to L812bn from L739bn. Turnover was almost unchanged at L10,248bn. Montedison's parent com-

pany cut its losses to L349bn before tax in the first half, against a loss of L1,085bn last time.

Sonae shrugs off falling

Sonae, Portugal's largest distribution and industrial conglomerate, reported a 109.7 per cent increase in net consolidated profits, to Es6.5bn (\$41.2m) for the first balf, in spite of falling private con-sumption and higher raw

about 80 per cent of group turnover, registered a 28.9 per cent rise in retail sales, to Es95bn.

results. Continente's net profit fell 4.2 per cent to Es2.3bn. Modelo's net profit slid 79.2 per cent to Es1.1bn, largely due to the sale of a smaller supermar-

focused on wood-based products, reduced its net loss to Es100m from Es1.7bn for the first half of last year.

In spite of strong price and volume performance, margins were hit by rising raw material

Extraordinary profits for the group rose to Es4.7bn from Es4.2bn for the same period

Swiss insurer on course for 'good' year

Zurich Insurance, one of the world's largest insurers, said its gross premium income rose 1.4 per cent in the first half, to SFr14.2bn (\$11.1bn). All three business areas - life, non-life and reinsurance - grew at roughly the same rate. Losses resulting from natu-

ably higher than in the comparable period in 1993. The group sald insurance and assumed reinsurance claims arising from the California earthquake earlier this year would reach between \$85m and \$90m. The life insurance division

ral catastrophes were consider-

made a greater contribution to growth than in recent years.

The group published no profit figure for the first half, but said it expected a "good overall result" in the full year,

extraordinary developments on the claims, foreign exchange or financial fronts. The strength of the Swiss franc restrained premium

provided there were no

Preussag acquisition

growth rate in the first half.

Preussag, the diversified industrial group, is buying from Metallgeselischaft its 64.88 per cent share in Lehnkering Montan Transport for about DM150m (\$62.5m), Mr Michael Frenzel, management board chairman said, Reuter reports from Hanover. The price was calculated according to the market value.

Korean groups set to list on NYSE

Pohang Iron and Steel (Posco) and Korea Electric Power (Kepco) are expected next month to be listed on the New York Stock Exchange, the ministry of finance said yesterday. It is the first move by South Korean companies to seek listings on international markets.
The two state-controlled companies, which have tentative approval from the US Securities and Exchange Commission and the NYSE for the

listings, will each issue \$300m

HK hotels group

shows strong rise

Mandarin Oriental International, the hotel

group controlled by Jardine Matheson, yesterday announced a 16 per cent rise in

first-half 1994 net earnings, to US\$22.6m.

from \$19.5m the previous year. Results were boosted by enhanced contributions

from the group's two Hong Kong hotels, Mandarin Oriental and The Excelsior.

The Hong Kong hotel sector is enjoying

a return to better times as visitor arrivals

to the colony increase and hotels are pul-

led down to make way for office blocks,

dampening supply. However, increasing

competition in other markets - such as

management of The Ritz hotel in London.

the group's first presence in Europe. Next year it opens its first hotel in Mexico City.

In 1998 a deluxe hotel in Kuala Lumpur is

due to open, in which the group is to take

a 25 per cent interest. Earnings per share rose 16 per cent to

3.32 US cents from 2.87 US cents. An

interim of 1.55 US cents a share is recom-

mended against last year's 1.41 US cents.

Manila and Jakarta – eroded revenues. In May, Mandarin Oriental took over

in depositary receipts.

Posco is the world's second largest steelmaker, with net profits of Won295bn (\$368.7m) cial liberalisation programme. At least nine other Korean companies are considering listin 1993. Kepco, meanwhile, is Korea's electricity monopoly and the largest capitalised company on the Seoul bourse, with net profits of Won419bn last year.

The Korean government recently announced it would allow Korean companies to list their shares on the New York, London and Tokyo bourses. It is also considering allowing foreign companies to be listed on the Seoul exchange from next year, as part of its finan-

They include Samsung Electronics and its electronics rival Goldstar, Hyundai Motor, Daewoo Corporation, Samsung Heavy Industry, the Lucky and Yukong petrochemical compa-nies, Ssangyong Oil Refining and Ssangyong Cement.

ing their shares on foreign

exchanges from next year.

The ministry of finance had

initially wanted to delay the listing of Posco and Kepco on the New York exchange at least until the end of this year.

Hongkong Land disappoints market with 9.6% advance

By Louise Lucas in Hong Kong

Hongkong Land, the Jardine Matheson group's property investment arm, yesterday reported a 9.6 per cent rise in after tax profits, to US\$181.9m for the first six months of the year. The figure compares with US\$165.9m in the first half of

Following the lead set by Dairy Farm. Jardine's retail business, both Hongkong Land and sister company Mandarin Oriental, the hotel group, accompanied their results with the date of their exit from the Hong Kong Stock Exchange.

Both will de-list on March 31, three

companies are constituent stocks on the Hang Seng Index. Hongkong Land's results were on the low side of market expectations. Earnings per share rose 9.6 per cent to 6.95 US cents from 6.34 US cents, while the dividend improved 11 per cent to 3.50 U\$ cents from

months after Jardine Matheson and Jar-

dine Strategic. All five departing Jardine

3.15 US cents. Profits were boosted by a significant

jump in office rents. Hongkong Land is the colony's biggest commercial landlord, and its portfolio is virtually fully

However, Hong Kong analysts were dis-

appointed by the modest contribution from Trafalgar House, in which the group holds a 25.6 per cent stake. Crosby Securities put the Trafalgar House contribution at US\$7.6m, sharply below its forecasts. The group continues to seek additional property investment opportunities in

ft office block in Hanoi, Vietnam, is scheduled for completion late next year. Hongkong Land has diversified into the infrastructure sector by taking the biggest single stake in the Tsing Yi consortium to build Container Terminal 9 - a project now fraught with political overtones as Beijing, upon whose approval the project is dependent, seeks to eject Jardine

China and elsewhere in Asia. Its 63,000 sq

Yesterday's results statement noted that "commencement of the project remains dependent upon agreement between the British and Chinese governments".

US media group forms **Indian TV** joint venture

By Shiraz Skithva in New Delhi

Time Warner, the US media and entertainment group, is forming a joint venture with RPG Enterprises, one of India's largest industrial houses, to set up a pan-Asian satellite-based six-channel television network in India.

The entertainment-based network will cost \$1bn to establish, and the joint venture will have an equity base of almost \$50m. The channels will seek to cater to different Asian language groups.

Promotion Board (FIPB) before divulging details on the project.

media groups into India. According to some reports, Time Warner is also keen to extend its entertainment empire to india, by setting up

sion, a Bombay-based software company, is launching India's first pay-TV channel on October 1, to screen international

Montedison, the Italian industrial company recovering from near-collapse last year, has returned to pre-tax profits for the first time since 1991. It unexpectedly released its half-year results yesterday, showing profits before tax and

Finanziaria (Ferfin). Unusually for Italian compa-nies, which normally publish results after the market closes,

uring and cost-cutting carried ment since last summer.

energy and chemicals. year, with the help of a capital increase, the group's debt fell

prices and demand

By Peter Wise in Lisbon

material costs. Sonae's Continente hypermarket and Modelo supermarket chains, which account for

However, a high level of investment and internal reor-

ket chain Sonae's industrial arm,



983 45 982 27,600 1014 33,090 1025 11,703 1042 5,565 1054 9,211

5,565 9,211

1384 42,829 3,210 1414 13,915 411 1454 3,995 17 1475 2,888 33 1,287 14 73,115 3,862

Pres. day 1007.70

1,653 1,653 1,266 25 1 4,380

WEEK IN THE MARKETS Aluminium returns to **1991 level**

By Deborah Hargreaves and Kenneth Gooding

able.

Aluminium started the week determined to burst through \$1,600 a tonne on the London Metal Exchange, a price not seen since January 1991 and a level at which nearly every smelter in the world is profit-

It took time, but yesterday, aluminium for delivery in three months broke through resistance and closed last night at \$1,608.50 a tonne, up \$32 on the day and \$21.75 from Friday's close last week.

Sentiment yesterday was helped by another substantial fall in LME warehouse stocks. Since stocks peaked at a record 2.65m tonnes in June this year, they have fallen by 270,000 tonnes or nearly 10 per cent.

Earlier in the week, the market paused for breath after an unexpected rise in producer stocks was reported by the International Primary Alumin-

ium Institute. Traders are now looking for aluminium to reach \$1,650 a tonne. However, there were words of caution from some observers. Mr Angus Mac-Millan, research manager at Billiton-Enthoven Metals, said the price was getting ahead of itself. "There are still huge stocks overhanding the market

- about 14 weeks of consumption - and eventually the market will realise this and settle down to sideways trading. Things are often overdone in the early stages of a recovery and the first-quarter rise in [aluminium] prices is not sus-

tainable to the year-end." The output cuts made by aluminium producers so far this year were "having an impact beyond their wildest dreams". As long as the producers stuck to their guns, there would be a supply deficit of about 400,000 tonnes this year and one of Im tonnes in 1995, he said. Consequently, Mr MacMillan is fore-

casting aluminium prices averaging 65 cents a lb this year (\$1,433 a tonne) and 75 cents (\$1,653) in 1995.

BASE METALS

LONDON METAL EXCHANGE

Meanwhile, the coffee market this week was dogged by uncertainty about the Brazilian government's plans for auctioning off its stockpile. After a dramatic rise a week ago on news that the auction would be cancelled, traders believed the government could be close to changing its mind. Rainfall forecasts for the coffee-growing regions of Brazil

UE	WAREHOUSE	2100
(As et	t Thursday's do	190)

tannes	•	
Aluminium	-18,500	to 2,383,050
Aluminium alley	п	0
-	change	at 42,200
Copper	-1,250	to 368,825
Lead	+200	to 368,375
Nickel	+860	to 142,274
Zinc	-1,550	to 1,235,350
Tip	+525	to 32,405

also affected prices. The frostdamaged trees have been suffering from a shortage of rainfall, but need a heavy downpour to do them any benefit. Light rain which was forecast for mid-week could be worse than none at all as it could encourage the trees to produce flowers which would later die.

The big drop in the market occurred on Wednesday when prices lost \$153 a tonne declining at one stage by more than \$200 a tonne - on news that Brazilian coffee growers were trying to persuade the government to restart the auctions. The price of the November futures contract at the London Commodity Exchange dropped from \$3,993 a tonne to

\$3.840 a tonne. But the confusion was cleared up again on Thursday when Brasilia announced that. for the time being, the auctions remain off. With 5m bags of coffee still to sell in its stoo pile, this could keep intern tional supplies tight.

However, the market rea tion was modest with price rising only \$37 a tonne in qui trading. The market remaine quiet yesterday, althoug prices gained ground in la trading as dealers expresse tions in Brazil at the weekend. The London market closed \$53 higher at \$3,931 a tonne.

WEEKLY PRICE CHANGES

	prices	on week	ago	High	Low
Gold per troy az.	\$390.60	-1.25	\$352.00	\$396.50	\$369.50
Silver per troy oz	346.50p	-8.00	268.15p	384.50p	331.50p
Aluminium 99.7% (cash)	\$1585.5	+21.5	\$1119.5	\$1585.50	\$1107.50
Copper Grade A (cash)	\$2489.5	+8.00	\$1758.5	\$2521.00	\$1731.50
Lead (cash)	\$821.5	+12.5	\$375.0	\$621.5	\$426.0
Nickel (cash)	\$8427.5	+120.0	\$4293.5	\$6490	\$5210.0
Zinc SHG (cash)	\$1010.5	+36.0	\$877.5	\$1014	\$900.5
Tim (cash)	\$5262.5	-85.0	\$4340.0	\$5850.0	\$4730.0
Cocoa Futures Dec	5963	-12.0	2903	£1124	2859
Coffee Futures Nov	\$3932	-23.0	\$1294	\$3955	\$1175
Sugar (LDP Raw)	\$316.4	+9.70	\$256.6	\$316.4	\$252.9
Bartey Futures Nov	£104.30	-0.45	£102.00	£105.50	292.65
Wheat Futures Nov	£108.05	+0.55	£104.80	E117.50	297.80
Cotton Outlook A Index	75.90c	-0.25	55.50c	87.10c	62,45c
Wool (54s Super)	475p	+9	325o	475p	342p
Oll (Brent Blend)	\$15.84x	-0.735	\$16.14	\$18.61	\$13.16

COMMODITIES AND BOND PRICES

(Prices from Amalga)	masteci Metal T	reding)		- Seri	nel e			nbaa	_
E ALUMINIUM, 99.7	PURITY (\$ pa	er tonnej	_	-	فاسب		ion.		¥e
	Cash	3 mtha	Sop	388.9	+1.7	=			
			Oct	390.5		391.6	389.0	7,709	
Close	1585-6	1608-9	Hav	392.1	+1.7				
Previous	1552-3	1576-7	Dec	333.0		395.0		88,034	
High/low	1566/1565	1812/1585	Feb	398.9	• 18	398.4		13,711	- 1
am official	1565.5 - 6	1689-9.5	Apr	400.3	+1.8	400,8	466.7	8,812	
Kerb close		1 6 07-8	Total					WA	1
Open int.	263,758		# PL	ATINUM	MYME	(60 Tr	oy oz.;	S/troy o	z)
Total daily turnover	61,905		Oct	413.0	+2.0	415.0	400	13,674	4,1
	OY (\$ per tonn	e)	- UCA - 1844	417.3	+20	419.3	415.0	8.549	13
Close	1610-5	1630-5	AGE	420.8		422.0	422.0	2.098	•••
Previous.	1680-90	1595-605		424.3	+22			464	
High/low	1600	1620/1600	Oct	427.0			-	280	
AM Official	1600-5	1821-30	Total					25,064	8.1
Kerb close	1000	1830-40	et Dal	LLADILE	4 400.5	EV MOD	Torus or		
Open int.	2.893		_						, -
Total dally turnover	590		Step	150.65		150.00		34	
■ LEAD (S per tonne	a		Dec	151.40		151.75		5,802	Į
FEAT 18 hat share			No.	152.15		19225	150.50	997	
Close	621-2	634-6	Jeen .	153.15	+1.55	-	-	152	
Previous	619-21	631-3	Total					6,785	
High/low	614	637/027	e se	VERI CO	MEX (1)	10 Troy	oz.; Ce	mis/iro	7 02
AM Official	613-4	626-7	Sen	541.7	+41		540.0	325	_
Kerb closa		633-3.5	Oct	543.S	+4.0	946.0	34000	363 7	
Open Int.	42,282		UC.	545.0	+4.0	-	-	•	
Total dally tumover	6,705		Dec	547.5	+4.0	557.0	E44 B	82.238	19.
■ NICKEL (\$ per ton	me)		Jan .	549.9	+40	227.11	341	52,236 59	1.35
Clase	8425-30	6520-5	War	665.7	+4.0	585.0	553.0	9,204	3
Previous	6350-60	6450-60	Tetal					107,500	13,
High/low	6344	6555/6400							
AM Official	6344-5	6435-6							
Kerb close		8535-8							
Open Int.	64,674		CNIC	RGY	,				
Total daily turnover	19,781								
III TIN (S per tonne)			■ CR	JDE OE	NYME	X (42,0	10 US (palis. \$/	bern
Close	5260-5	5335-40			Day's			Open	
Previous	5240-50	5315-30		price	change	طهتاا			Y
High/low		5340/5260	Bet	18.86	+0.16	16.89	16.70	40,883	20.7
AM Official	5200-10	5278-80	Hay	17.00	+0.15	17.05	16.85	87.450	25.1
Karb close		5335-40	Dac	17.20	+0.11	17.24		59,107	
Open Int.	17,006		Jan	17.35	+0.10	17.37		39,561	6.
Total daily tumover	2.754		Feb	17.40	+6.04	17.46		21,073	13
E ZINC, special high		torme)	Har	17.49	+0.06	17.49		15.210	
म रसकर अधिकातम् प्राप्त	n Augma (s bar	en a Rij	Total					104,488	

ZING, special his	gh grade (\$ per	Mar Total	17.49	+0.06	1	
Close	1010-1	1032-3		UDE ČIL	1PE (\$/	ha
Previous	992-3	1014-4.5				=
High/low	~~~	1036/1020			Dey's	_
AM Official	997-8	1019-9.5		price	chande	H
Kerb close		1033-4	Nov	15.84	+0.18	t
Open int.	97,459		Dec	18.02	+0.12	1
Total daily turnover	29,903		Jan	16.14	+0.11	1
COPPER, grade	A (\$ per tonne)		Feb	16.29	+0.14	1
Close	2489-90	2507-8	Mar	16.21	+0.10	1
Previous	2471-2	2487-8	Apr	18.25	+0.05	11
High/low	2469/2468.5	2513/2483	Total			
			- 45	ATENG O		
AM Official	24 69-9 .5	2484.5-5.5	- ne	VIEW D	AL WINE	A (
Kerb close		2512-3		Latest	Day's	
Open int.	217,260					Ħ
Total daily turnover	41,714		Det	48.8n		
			143	46.60	+6.09	4

		Dav's			Open.	
	Close	cpauls nei	High	low		Yel
Sap	122.30	+2.50	122.35	119.70	4,470	406
Det	118.55	+235	118.50	117.80	1,719	52
Nov	117.70	+2.80	116.65	115.50	695	18
Dec	117.25	+2.45	117.30	114.60	39,640	6,745
Jac	116,70	+2.30	116.80	115.40	557	. 4
Feb	118.15	+2.15	-	-	426	-
Total					55.983	7,482

LME Closing E/S rate: 1,5845

PRECIOUS E LONDON BUL (Prices supplied to		
Gold (Troy oz.)	\$ price	Viupe 3
Close	390.40-390.80	
Opening	387.70-388.10	
Morning fix	388.25	248.194
Afternoon fix	390.00	247.070

Day's High	391.00-391.4	3
Day's Low	387.60-388.00	3
Previous close	388.00-399.50	3
Loco Ldn Mean (Gold Lending Re	tes (Vs USS)
1 month		
2 months	4.40 12 mar	uths
3 months	4.42	
Şilver Fix	p/troy oz.	US cts equiv.
Spot	343.55	538.50
3 months	348.25	544.95
8 months	353.40	551.7 5
1 year	367.35	569.05
Gold Coins	\$ price	£ equiv.
Krugerand	393-396	252-255

Precious Metals continued							_	AINS HEAT LC				EDS	}
		Cay's		low	Opec lot	YoL			chande Disk,a		Low	Open let	,
Sep	388.9	+1.7	٠.		-	4	Sag	105.75	+0.30	106.75	106.50	170	
Oct	390.5	+1.5	381.6	389.0	7,709	591	Hov	108.05	+0.25	108.05	107.50	2,586	
Hov	392.1	+1.7	-	-	٠.	-	Jen.	110.10	+0.30	111.00	109.95	1,818	
Dec	333.6	+1.7	395.0	392.0	88,034	16,729	عجلا	11210	+0.20	112.00	111.80	1,118	
Falk	000.0		***		40.744	004	_	114 00	n ne	114 00	114.00	1 227	

582/4 572/0 586/0

168.6 165.4 165.9

POTATOES LCE (E/tonne)

FREIGHT (BIFFEX) LCE (\$10/Index point)

+3 1575 +16 1605 +7 1996 +13 1570 +2 1575 +6 1435

Wool
Prices for finer Meninos rose even more rapidly in the earlier Australian sale days this week, with broader types also rising if more gradually. The Eastern states market indicator ended at 829c/log, companed with 780c/kg a week before. The Western states indicator rose strongly at the first Fremantie sale but the market was a little erratic at the close, 6 cents down on the day if still 25 cents higher than at the end of last week. With prices at least double those a year ago, and for finer Merisos much more than that, ther is resistance emong wool taxtile manufactures and particularly UK home market retailers, but a rising market does involve armali-scale but steedy support even

FT FIXED INTEREST INDICES

UK GILTS PRICES

Sep 16 Sep 15 Sep 14 Sep 13 Sep 12 Yr ago High" Low"

88.99 90.76 90.44 91.00 91.12† 101.51 107.04 89.99 107.30 107.31 107.83 108.02 107.87 122.85 133.87 107.30 15.scutilae high since complision: 127.40 (97/185, low 49.18 (24/75, Freed late 620, SE extivity indices rebased: 1874, † Correction:

150.0 -105.0 222.6 240.0 107.5

	417.3	+20	419.3	410.0	8,548	1,958	200	3094	+ev	.35UU	301/4
	420.8	+22	422.0	422.0	2,098	2	Him	397/4	+8/4	398/0	389/2
	424.3	+22	-	-	464	51	May	382/4	+5/2	383/4	376/4
	427.D	+22	-	-	280	-	Jel	3542	+4/6	35570	3484
					25,064	8,888	Sep	3561)	+1/0	356/0	351/4
AL	LADILE	NYME	X (100	Troy or	L; Š/tro;	y oz.)	Total				
_	150.65	41.55	150.00	150.00	34		E MA	ZE CBT (5,000	bu min;	септа/5
	151.40		151.75		5.602	509	Sep	216/6	-0/4	218/0	214/8
	152.15	+1.55	152.25	150.50	997	28	Dec	217/8	-04	218/6	215/61
	153.15	+1.55	-	-	152	-	20	227/4	-06	228/4	225/4
1					6,785	597	May .	2348	-	235/0	232/6
E.Y	EFI COM	ÆX M	10 Trov	oz.: Ce	nts/buv	(CZ.)	Jai	239/2	-	239/4	237/0
=							Sep	242/0	+8/2	243/2	241/0
	541.7	+4.1	548.0	540.0	385	98	Total				2
	542 n	-40	_	_	7	1				_	

		77.00	_	_	-	-
	555.7	+4.0	585.0	553.0	9.264	339
اعتوا				1	U/,5U0	13,862

ENERGY													
■ CRU	CRUDE OIL NYMEX (42,000 US galls. \$/barrel)												
	Letway				Open								
	price	change	طهلاا			You							
Oct	18.86	+0.16	16.89	16.70	40,883	20,777							
Mar	17.00	+0.15	17.05	16.85	87,450	26,158							
Dec	17.20	+0.11	17.24	17.07	59,107	12,741							
Jan	17.35	+0.10	17.37	17.27	39,58T	6,127							
Feb	17.40	+6.04	17.46		21,078								
Har .	17.49	+0.06	17.49	17.45	15,210	351							
Total					464,488	68,583							
E, CRU	DE CIL	PE (\$/	errei)										
	Lafest	Dey's			Open								
	price	change	High	LOW	Ìat	Yel							
Nov	15.84	+0.18	15.91	15.70	26,198	8,719							
Dec	18.02	+0.12	16.05	15.88	62,873	20,568							

nec	10.02	+0,12	16,05	15.56	62,873	توحيلك
نبول	16.14	+0.11	16.15	16.00	29,379	3,92
Feb	16.20	+0.14	16.21	16.06	12,447	1,104
Mar	16.21	+0.19	16.21	18.21	7,031	15
Apr .	16.25	+0.05	16.25	18.25	6,529	190
Total				•	25,327	34,60
■ HEAT	TENG O	L HYME	X (42,00) US gai	ia.; cUS	galls.)
	Latent	Dey's			Opes	
		Day's change	High	Low	Open int	Vol
Oct			High 47.30			Voi 13,719
Oct	price	change		46.60		
	price 48.80	+0.09	47.30	46.60 47.90	int 33,241	13,719
lier	price 48.80 48.05	+0.09 +0.17	47.30 48.40	46.50 47.90 48.25	iet 33,241 24,720	13,715 8,235 8,881

Feo Mapr Total				50.75	13,367 10,139 171,382	1,
III GA	S COL PE	(\$/torne	ŧ			
	Sett price	Day's change	High	Low	Open Int.	¥
0et	147.35	-	148.50	147.00	1,444	6,
Her	150.50	-	151.50	150.00	34,539	2
Dec	153.00	-	153.75	152.75	16,775	1,
	155.00	. 0.25	466.00	464 60	19.213	

LUCES					161140	كعليكة					
MATURAL GAS IMMEX (10,000 ministu; \$/ministu.)											
		Day's change	High	Low	Open lest	Val					
Oct	1.607	-0.024	1.635	1.905	25,447	13,869					
Hor	1.860	-0.019	1.880	1.660	24,221	3,910					
9ec	2.070	-0.005	2.085	2.070	25,618	1,964					
	2110	-0.002	2.120	2.105	15,094	861					
Feb	2.045	+0.005	2.050	2.040	12,839	835					
Mar	1.990	+0.002	2.000	1.990	9,845	580					
Total					159.536	24,279					

III UNLEADED GASOLINE

MYMEX (42,000 US galls.; cAUS galls.)										
		Deg's change	High	Low	Open	Yel				
Oct	44.73	+0.56	44,90	44,30	22,845	12,006				
Hey	45.05	+0.64	45.10	44.50	19,000	8,122				
Dec	52. 6 0)	+0.55	52.60	52,20	10,244	3,194				
iae	52.30	+0.50	52.35	52.00	8,187	1,352				
feb	52.8Q	+0.45	52.80	52.40	3,777	389				
	53.60	+0.45	53.60	58.60	811	336				
lotal					88,650	24,142				

78 402 175 190 124 3 955 988 1019 1031 1042 1052 1.818 ABORD busheli) 1338 1385 1414 377/0 +8/4 377/0 309/0 418 234 -12 -11 -8 -8

SOFTS

■ COCOA LCE (E/tonn

	382/4	+5/2	383/4	376/4	2,513	990		1442	-8	1455	1
	3542	+4/6	355/0	3484	3,594	1,061	Sep	1482	-8	1475	1
	3557)	+1/0	356/0	351/4	83	20	Dec	1488	-8	-	
					72,216	22,801	Total				
AZ	ZE CBT	(5,000	bu min	; септь	561b bu	ishel)	■ COC	OA (ICCC) (SDF	'e/torm	9
	216/6	-0/4	218/0	2146	3,991	4,067	Sep. 15		,	Price	
	217/6	-04	218/6	215/6	132,286	56,912	Daily			1015.18	
	227/4	-0/6	228/4	225/4	38,544	9,574	-				
	2348	-	235/0		14,519		E COF	FEE LOE	S/ten	ei .	
	239/2	-	239/4	237/3	14,564	2,764			_		_
	242/0	+0/2	243/2	241/0	963	57	Sep	4042	+52	4045	3
					208,263	75,538	Roy	3932	+55	3940	3
w	LEY LC	E Œ as	r tonne		•	•	Jee	3877	+50	3890	3
_				<u> </u>			Mar.	3906	+59	3810	3
	102.95	+0.20	-	-	31	-	بطنا	3755	+57	37 5 0	3
	104,30	-	104,30	104,30	479	3	Je	3736	+47	3735	3

-0.48 26.45 25.65 2,385 2,002 -0.44 25.00 25.06 18,256 8,518 -0.41 25.30 24.50 39,734 14,396 -0.38 25.60 24.35 6,463 1,175 -0.19 24.65 24.12 7,975 1,306 -0.29 24.35 23.90 4,226 842 83,714 8,741

-0.7 189.7 189.5 2,600 3,265 -0.1 186.3 185.0 14,173 8,438 +0.1 186.5 185.4 41,743 12,366 +0.1 186.5 185.4 9,366 1,523 +0.2 171.2 170.0 9,083 1,667 +0.5 173.4 172.3 5,282 775

-1.9 224.0 221.0 1,422

+8/2 (£ pe	243/2 r tonne	241/0	963 963 298,363	57 75,538	Sep Nov Jan Mar	4042 3932 3677 3806	+20 +20 +20 +33	4045 3940 3890 3810	3975 3855 3812 3735		35 1,434 889 402
+0.20			31		ikey .	3755	+57	3750	3700	1.656	183
	104.30	104.30		3	Jul	3736	+47	3735	3685	751	106
-0.20	-	-			Total					37,478	3,058
	-	-	-	-	E COF	FEE 'C'	CSCE (37,500	bs; cen	(a/Ebs)	
CRT #	- - 1000au	- min- can	21 1,008 65/608) 1	- 3 	Sep Dec	216.15 221.80	+9.40	216.40 223.75	213.50		
_	_		_		ilar	222.00		222.00		7,395	578
-4/6	5554		2,884		May	223,00		223.00		3,032	184
-4/2	5594	549/4	77,957	39,357	Jul	224.00	+6.00	223.00	219.00	804	30
-42	568/4	559 7 0	17.128	4,363	Sept	225.00	+6.00	223.75	223.75	379	8
-3/6	577/4	589/0	8,442	2.270	Tejai					34,020	6,883
-3/6	584/4	577/0		587	E COF	FEE (ICC) (US c	ents/px	pund)		_
-2/5	590/4	682/4	9,404	1,301	F 45			Below			

Step Dec Mar	222.00	+9.40 +8.00	216.40 223.75 222.00	213.50 217.50	7,395	578
May Jul Sap Total	223.00 224.00 225.00	+6.00	223.00 223.00 223.75	219.00	3,032 804 379 34,920	30 6
Sep. 15 Comp. del 15 day av	ly 949ga		Price 196.78 196.61		19	5.40 5.61
Oct	12.79	-0.15	•	-	1,720	-
Jac Her Total	11.82 12.71	-0.94	:	:	90 1,810	:
m WHILL	E SI IO	BICE	rea-	us)	.,	

SUGAR '11' CSCE (112,000lbs; cents/lbs)

IK COTTON NYCE (50,000lbs; cents/bs)

Oct Dec Mar May Jul Oct Total

■ QR/

VOLUME DATA

INDICES

Sep 16

REUTERS (Base: 18/9/31=100)

Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude QII are one

Sep 15 month ago res (Base: 1967=100)

60 53 1700

315.50	-0.30	316,00	318.00	437	10	LONDON SPOT	MAKKE	:13
314,40	-0.30	-	•	4		CRUDE Of LFOB (per b	arrel/Nov)	+01-
AR '11' (CSCE (112,00	libs; ce	13,623 (mts/lbs		Dubai Brent Blend (dated)	\$14.80-4.84u \$15.33-5.35	+0.075
12.65 12.56	-0.17 -0.05			25,125 89,514		Brent Blend (Nov)	\$15.83-5.85u \$16.99-7.01u	+0.07
12.51 12.39	-0.04 -0.01	12.65 12.52		13,463 7,938		OL PRODUCTS NWEP	rompt delivery C	JF (lanne)
f2.26 11.79 TON NY	-0.02 +0.02	11.82	11.79	740 1 42,05 6	15	Premium Gasoline Gas Oli Heavy Fuel Oli Nachtha	\$171-174 \$147-148 \$72-74 \$155-156	-0.5 +0.5
70.03 69.24 70.88	-1.55 -1.64 -1.60	71.10 70.40	69.95 69.10	2,685 27,803 9,880	3,175	Jet fuel Petroleum Argus assessmenta TOTHER	\$167-168	
71,85 72,80 69,70	-1.39 -1.05 -0.90	73.50 70.40	72.80 69.70	409 58,9 10	38 1 4,490	Gold (per troy oz)‡ Silver (per troy oz)‡ Platinum (per troy oz.) Patiadium (per troy oz.)	\$390.60 549.5c \$409.25 \$149.75	+2.35 +11.0 -0.40 +1.00
NGE JU	CE NY	CE (15	,000bs	Cents/	los)	Comment (1)C monel \	194.00	-10

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

III LIVE HOGS CME (40,000lbs; canta/lbs)

98.875 +0.450 69.875 68.425 20.237 67.800 +0.300 67.850 67.450 12.162 68.855 +0.100 68.850 68.855 8,732 66.150 +0.150 68.275 66.000 2,014 65.875 +0.025 65.875 65.600 95.4

37.700 +0.125 37.600 37.325 10,572 2,719 38.425 38.700 38.250 11,775 3,023

37.700 +41.62 38.700 35.259 11,17.2 38.255 - 38.700 35.259 31,17.2 39.200 +0.125 39.250 38.500 2,315 44.200 +0.100 44.200 44.000 697 43.100 - 43.100 42.900 87 29.287

40.523 +0.325 40.600 39.600 7.554 40.575 +0.475 40.600 39.500 533 41.200 +0.200 41.390 40.500 119 42.400 +0.400 42.500 41.600 135 41.500 +0.250 41.500 40.500 33

LONDON TRADED OPTIONS

101 87 74 11 20 32

EI COPPER (Grade A) LME

MI COFFEE LCE

E COCCA LCE

M BRENT CRUDE IPE

975

爱罗尔 红色

77.

PORK SELLIES CME (40,000lbs: cents/fbs)

50,910 4,490 MGE JUICE NYCE (15,000lbs; cents/fise)	Pletinum (per troy oz.) Palladium (per troy oz.)	\$409.25 \$149.75	-0.40 +1.00
85.95 -0.05 84.80 84.80 41 15 86.95 -0.20 87.75 88.20 12,171 582 90.75 - 91.20 90.10 5,888 168	Copper (US prod.) Lead (US prod.) Tin (Kusia Lumpur) Tin (New York)	124.0c 38.25c 13.18m 242.5c	-1.0 -0.15
94.05 -0.70 95.20 94.00 3,903 270 97.55 -0.70 96.00 97.50 855 12 100.06 -0.70 101.00 101.00 498 1 22,455 1,968	Cattle (five weight)†© Sheep (five weight)†‡© Pigs (five weight)©	117,10p 86.79p 72.58p	-1.95 -1.54 -3.76
espesa tjeso	Lon. day sugar (raw) Lon. day sugar (wte) Tata & Lyla export	\$316.40 \$340.00 £315.00	+1.50
BME DATA.	Barley (Eng. feed) Malze (US No3 Yellow) Wheat (US Dark North)	Unq. \$136.0 £180.0	
acts traded on COMEX, NYMEX, CBT,	Rubber (Oct)* Rubber (Nov)*	89.50p 87.50p	+1.00 +1.00

	ion a da aba.		
7	Barley (Eng. feed)	Unq.	
ı	Matze (US No3 Yellow)	\$136.D	
I	Wheat (US Dark North)	£180.0	•
ı	Publish (Oct)	89.50p	+1.0
ı	Rubber (Nov)♥	87.50p	+1.0
l	Rubber KL RSS No1 Aug	325.50m	+2.0
ı	Coconut Oi (Phil)§	\$630.0z	· -7.5
	Palm Oli (Malay.)§	\$620.0t	-5.0
	Copra (Phil)§	\$410.0	-3.0
	Soyabeans (US)	£164.Qu	-1.0
	Cotton Outlook 'A' Index	75.90c	-02

475p

WORL	D BOI	ID PRI	CES				Najvišt	
				ENT BO	NDS			
		Coupon	Red Date	Price	Day's change	Yleid	Week ago	Month ago
Australia		9.000	09/04	94.0700	+0.890	9.95	9.47	9.37
8eigtum		7.250	04/04	90.9500	-0.430	8.67	8.69	8.47
Canada *		6.500	06/04	84,7500	-0.600	8.88	9.05	8.96
Denmark		7.000	12/04	85,9000	-0.250	9.17	9.25	8.98
France	BTAN	8.000	05/98	101.3750	-0.250	7.55	7.33	7.29
	OAT	5.500	04/04	82,6000	-0.880	8.18	8.08	7.84
Germany B	und	6.750	07/04	93 6200	-1.240	7.69	7,59	7.27
ltalv .		8.500	04/04	80.0000	-1,000	12,091	12.29	11.66
Japan	No 119	4 800	08/99	103,5930	-0.020	3.91	3.91	3.91
-		4.100	12/03	96.9110	-0.220	4 58	4,49	4.57
Netherland:	1	5.750	01/04	87,7800	-1.090	7.62	7,42	7.29
Spain		8,000	05/04	80.5500	-1.100	17.40	11.22	11.07
UK GHIS		6,000	08/99	89-11	-18/32	8.71	8.47	8.42
		6.750	11/04	85-11	-40/32	6.97	8.82	8.66
		9.000	10/08	100-15	-51/32	8.94	8.78	8.67
US Treasur	y *	7.250	08:04	98-04	-36/32	7 52	7,42	7.28
	•	7.500	11/24	96-21	-52/32	7.79	7.60	7.50
ECU (Frenc	h Covt)	6 000	04/04	82,8500	-0.520	8.74	B 61	8 49

ECONOMIC DIARY - FORWARD EVENTS

TODAY: Douglas Hurd, UK announce its budget for 1995, foreign secretary, continues and it is expected to be ausvisit to Tokyo. Campaigning starts for parliamentary elec-tions on October 2 in São Tomé and Principe in West Africa. UK national savings results. TOMORROW: Swedish general election. Commemoration of the battle of Arnhem at Ooster-beek, Netherlands. John Major, UK prime minister, visits Saudi Arabia. Liberal Democrats annual party conference

opens at Brighton, UK. MONDAY: International Atomic Energy Agency conference in Vienna. International scientists discuss gene tampering in Sydney, Australia. TUESDAY: United Nations

General Assembly opens in New York. John Major, UK prime minister, arrives in South Africa. Japan's ruling coalition aims to publish a draft tax reform bill. UN-sponsored disarmament talks begin in Geneva. UK building societies monthly figures. Large British banking groups' monthly statements. UK provisional estimates of M4 (Aug).

WEDNESDAY: Danish general election. France due to revenue statistics.

tere. Portuguese parliament begins debate on revising the constitution. Scottish National Party annual conference in inverness. UK balance of trade with countries outside the European Union. Bank of England international banking statistics (second quarter). THURSDAY: Zimbabwe's ruling Zanu-PF party holds fiveyearly congress to elect leaders ahead of poll next year. Foreign ministers of European Union and Association of South-east Asian Nations begin two-day conference in Karls-

institutional investment (second quarter). FRIDAY: North Korea and US due to begin new round of talks in Geneva. F.W. de Klerk, South African deputy president, in Edinburgh to address Congress of the European Federation of Financial Analysts' Societies. UK quarterly national accounts; balance of payments (second quarter); inland

Spain

III NOTIONAL SPANISH BOND PUTURES (MEFF)

Sett price Change

ruhe, west Germany. UK motor vehicle production (Aug). UK financial statistics (Sep). UK

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US	INTEREST	RATE	S			
Lun	chaime		Treesur	y 8 18 3 8	and Bond Yields	
Brok Fed.	er içan çaze	74 TV 65 Th 411 Sh	to Mark to Marky	485 473 474 529 577	Two year	6.57 6.68 7.69 7.47 7.75
BC	OND FUTUR	es an	D OPTIONS			
Fr	ance					

E NOII	OKAL FREN	Sett price	Change	(MAL) 127 High	Low	Est. vol.	Open int.
_		•		_			•
Sep	112.38	111.38	-0.84	112.36	111.30	49,309	38,526
Dec	111.38	110.35	-0.88	111.38	110.30	238,540	115,395
Mar	110.64	109.66	-0.88	110.56	110.54	409	4,703
■ LONG	TERM FRE	NCH BOND	OPTIONS	(MATE)			
Strike		CAL	<u> 18</u>			PUTS	
Price	Oc	t De	c i	Mar	Oct	Dec	Mar
111	0.4	4 1,2	8	-	-	1.07	1.90
112	Q.1	5 0.8	8	-		1.77	2.45

5	•	0.1	8	•	-	-	-
. wol. to	stal, Calla 20,8	52 Puts 28,3	63 . Previou	a day's ope	n int., Calle	208,863 Pub	296,484.
em	any						
NOTK	any Mal Germ	an sund f	TURES (LIFFE)* DW	250,000 1	00ths of 10	0%
		AN SUND F		LIFFE)* Div	£250,000 1	00ths of 10 Est. vol	
	MAL GERM						
NOTK	Open	Sett price	Change	High	Low	Est. vol	Open int.

	TO LUNES			JM 23U,UU	0 points o			
18			CALLS -				U7S	
8	Oct	Nov	Dec	Mar	Oct	MOA	Dec	Mar
0	0.55	1.05	1.32	1,39	0.41	0.91	1.18	2.05
9	0.30	0.78	1.05	1.16	0.66	1.14	1.41	2.32
0	0.15	0.57	0.83	0.98	1.01	1.43	1.69	2.62

Italy							
		NN GOVT. E 100ths of 1) FUTURE	3 5		
	Open	Sett price	Change	High	Low	Est, yol	Open int
Dec	98.00	96.62	-1.40	98.07	96.54	46278	64209
-							
Mar	-	95.97	-1.40	•	-	0	640
Mar ■ ITALIA Strka	IN GOVT. B	96.97 OND (STP) I	TURES	OPTIONS	- (UFFE) Lin		
Mar III (TALLA Strike Price	IN GOVT. B	OND (STP) I	LS	OPTIONS	Dec	200m 100t	ns of 1009 Mar
Mar	IN GOVT. B	OND (STP) I	FUTURES	OPTIONS		200m 100t PUTS	ns of 1009

Sep Oec	87.51 85.90	86.13 84.65	-1.07 -1.15	87.54 86.09	86.00 84.50	57,779 23,380	40,575 58,591
нĸ							
UK = NOTK	ONAL UK GE		· · · · · · ·			_	Ones int
MOTE	Open	Sett price	Change	High	řow	Est vol	Open int,
			· · · · · · ·			_	Open int, 20579 94948

High

Est. vol. Open int.

LONG G	ILT FUTU	MES UPIK	MS (LIFTE	7	U-MUR OF II	ルカ		US							
Strike		CAL				PUTS		US TR	EASURY E	ONED FUTUR	LES (CST)	\$100,000	32nds of	100%	
Priçe		Dec	Ma	_	Dec		Mar		Open	Latest	Change	High	Los	w Est vol	. Open int
98		-10	2-46		1-58		3-09	Seo	101-23	100-13	-1-07	101-23	100-	08 11.306	83,998
99 100		-42 -14	2-21 1-80		2-26 2-82		3-45 4-20	Dec	100-27	99-18	-1-08	100-28	99-1	12 243,627	
	-			_		12 Puts 30688		Mar	100-02	98-25	-1-09	100-03	98-2	20 1,102	9,254
								Japan							
Ecu Ecu Bo	ND FUTUR	RIES (MATTE))							TERM JAP Othe of 1005		BOYT. BOI	ND FUTI	URES	
	Open	Sett price	Change	High	Low	Est. vol.	Open int.		Ореп	Close	Change	High	Lov	r Est. vol	Open int
Sep	80.40	79.78	-0.50	80.40	79.78	568	2,154	Dec	107.95	-	-	107.99	107.8	31 1363	0
Dec	79.80	79.20	-0.58	79.90	79.10	1.733	6.198	" LIFFE con	tracts trader	on APT. AE C	beu nears	et lige, ere t	or previou	as day.	
FT-ACT	UARIE	\$ FIXE		EREST		ES Accrued	ad adi			Fd	79-	n/e	Dur	Account	ul adi
UK GEEs Pri	ice indices years (24)	S FIXE Frt Sep 18 119.26	Da chan	y's ge % 1.34	Thur Sep 15 119.67	Accrued Interest	ad edi yield 8.01	index-links	yeers (2)	Fri Sep 16 185.43	chen	0.05	Thur Sep 15 185.53	Accrued interest	nd adi
UK Gills Pri 1 Up to 5 2 5-15 year 3 Over 15	ice indices years (24) rs (21) years(9)	FIXE Frt Sep 18 119.26 136.11 151.28	Da chan	y/s ge % 1.34 1.05 1.45	Thur Sep 15 119,67 137,55 153,51	Accrued Interest 1.27 1.79 1.47	9.60 9.81	6 Upto 5	years (2) years (11)	Sep 16	chen	ge % : 0.05 0.61	Sep 15	interest	yield
UK GEEs Pri	years (24) rs (21) years(9) solies (9)	FIXE Frt Sep 18 119.26 136.11 151.28 173.38 134.26	Da chan	y's ge % 1.34 1.05 1.45 1.01	Thur Sep 15 119.67 137.55	Accrued interest	yleid 8.01 9.60 9.81 8.83 9.15	6 Up to 5 7 Over 5 8 All stoc	i yeers (2) yeers (11) ks (13) nd loans (7	Sep 16 185.43 170.87 171.60	chen	ge % 3 0.05 0.61 0.55	Sep 15 185.53 171.92 172.45 126.86	9.91 0.61 0.63 2.41	yield 3.95 3.95
UK Gills Pri 1 Up to 5 2 5-15 year 3 Over 15 4 bredeem	years (24) rs (21) years(9) solies (9)	S FIXEI 19.26 19.26 19.27 19.28 172.38 174.26	Da chan	y's ge % 1.34 1.05 1.45 1.01	Thur Sep 15 119.67 137.55 163.51 175.15	Accrued interest 1.27 1.79 1.47 2.94 1.80	yleid 8.01 9.60 9.81 8.63 9.15	6 Up to 5 7 Over 5 8 All stood 9 Debs as	i yeers (2) yeers (11) ks (13) nd loans (7	Sep 16 185.43 170.87 171.60	chen	ge % 1	Sep 15 185.53 171.92 172.45 126.86	0.91 0.61 0.63	3.95 3.95 3.94
UK Gills Pri 1 Up to 5 2 5-15 yea 3 Over 15 4 Bredsem 5 All stock Yields 5 yra	ice indices years (24) rs (21) years(9) ables (5) s (60) Sep 1:	Fit Sep 18 119.26 136.11 151.28 173.38 134.26 5 Sep 15	Da chan	y's ge % 1.34 1.05 1.45 1.01 1.88 n yield High 8.85 (16/6	Thur Sep 15 119.57 137.55 163.61 175.15 135.45	Accrued interest 1.87 1.79 1.47 2.94 1.80 7 Sep	yleid 8.01 9.60 9.81 8.83 9.15 	6 Up to 5 7 Over 5 8 All stood 9 Debs as editorn coupon Yr ago 1	years (2) years (11) is (13) ad leans (7 yield —— figh	Sep 16 185.43 170.87 171.60 6) 125.19 Low	Sep 16	ge % 3 0.05 0.61 0.55 1.32 Sep 15	Sep 15 185.53 171.92 172.45 126.86 Righ coup Yr ago	0.91 0.61 0.83 2.41 con yield	yield 3.95 3.96 3.94 7.84 Low 5.91 (19/1)
UK Gibs Pri 1 Up to 5 2 5-15 year 3 Over 15 4 Irredeem 5 All stock Yields 5 yrs 15 yrs	years (24) rs (21) years(6) ables (6) s (60) Sep 16	Sep 18 119.26 136.11 151.28 172.38 134.26 5 Sep 15 5 8.68 3 8.68	Da chan chan chan chan chan coupe coupe Yr ago	y's ge % 1.34 1.05 1.45 1.01 1.88 n yield High 8.85 (16/6	Thur Sep 15 119.67 137.55 163.51 175.15 135.45 Low 9 5.57 (1)	Accrued interest 1.87 1.79 1.47 2.94 1.80 7 Sep 9/1) 8.9	yleid 8.01 9.60 9.81 8.63 9.15 	6 Up to 5 7 Over 5 8 All stool 9 Debs as addom coupon. Yr ago 1 6.83 8.91 7.29 8.97	i years (2) years (11) ks (13) nd leans (7 yield	Sep 16 185.43 170.87 171.60 8) 125.19 Low 182 (19/1)	Sep 16 9.07 9.19	ge % 1 0.05 0.61 0.55 1.32 Sep 15	Sep 15 185.53 171.92 172.45 126.86 Righ coup Yr ago 6.82 7.53	0.91 0.61 0.63 2.41 con yield	yield 3.95 3.95 3.94 7.84 Low 5.91 (19/1) 8.63 (20/1)
UK Gills Pri 1 Up to 5 2 5-15 yea 3 Over 15 4 Bredsem 5 All stock Yields 5 yra	ice indices years (24) rs (21) years(9) ables (5) s (60) Sep 1:	S FIXEI 5 Sep 18 119.26 136.11 151.28 172.38 134.26 5 Sep 15 5 8.68 6 8.85 6 8.85	Owr coupo Yr ago 8.37 7.18	y's ge % 1.34 1.05 1.45 1.01 1.88 n yield High 8.85 (16/6	Thur Sep 15 119.87 137.55 153.51 175.15 135.45 Low 6.30 (2 6.30 (2	Accrued interest 1.87 1.79 1.47 2.94 1.80 7 Sep 9/1) 8.9	yleid 8.01 9.60 9.81 8.63 9.15 	6 Up to 5 7 Over 5 8 All stool 9 Debs as addom coupon. Yr ago 1 6.83 8.91 7.29 8.97	i years (2) years (11) ks (13) nd leans (7 yield	Sep 16 185.43 170.87 171.60 6) 125.19 Low	Sep 16	ge % 3 0.05 0.61 0.55 1.32 Sep 15	Sep 15 185.53 171.92 172.45 126.86 Righ coup Yr ago 6.82 7.53	0.91 0.61 0.63 2.41 con yield	yield 3.95 3.96 3.94 7.84 Low 5.91 (19/1)
UK Gibs Pri Up to 5 2 5-15 year 3 Over 15 4 Irredeent 5 All stock Yields 5 yrs 20 yrs 20 yrs	Sep 16 8.85 8.77	S FIXEI 5 Sep 18 119.26 136.11 151.28 172.38 134.26 5 Sep 15 5 8.68 6 8.85 6 8.85	Da chan -(y's ge % 1.34 1.05 1.45 1.01 0.88 n yield — High 8.85 (16/9 8.85 (1/6/9 8.86 (1/6/9 8.86 (1/6/9	Thur Sep 15 119.87 137.55 163.61 175.15 135.45 Low 9 5.57 (1.6.30 (2.6.62 (2.6	Accrued interest 1.87 1.79 1.47 2.94 1.80 7 Sep 9/1) 8.9 0/1) 8.9 0/1) 8.9	yeld 8.01 9.60 9.61 8.83 9.15 8.74 8.79 8.79	6 Up to 5 7 Over 5 8 All stock 9 Debs as ediom coupon Wr ago 1 6.83 8.91 7.29 8.97 7.34 8.97	i years (2) years (11) ks (13) and learns (7 yield ————————————————————————————————————	Sep 16 185.43 170.87 171.50 5] 125.19 Low 6.82 (19/1) 1.39 (20/1) 1.42 (20/1)	Sep 16 9.07 9.19	ge % 1 0.05 0.61 0.55 1.32 Sep 15	Sep 15 185.53 171.92 172.45 126.86 Righ coup Yr ago 6.82 7.53	0.91 0.61 0.63 2.41 con yield	yield 3.95 3.95 3.94 7.84 Low 5.91 (19/1) 8.63 (20/1)
UK Gibs Pri 1 Up to 5 2 5-15 yea 3 Over 15 4 Inschement 5 yra 15 yra 20 yra insch Inschement 10 yra	Sep 1 Sep	S FIXE: Sep 18 1926 196.11 151:28 173.38 134.26 5 Sep 15 5 8.68 6 8.85 7 8.67	Chan Chan Chan Chan Chan Chan Chan Chan	y's ge % 1.34 1.05 1.45 1.01 1.88 n yield — High 8.85 (169 8.75 (1/8 8.86 (1/8) 8.75 (1/8) 8.86 (1/8)	Thur Sep 15 119.67 137.55 153.51 175.15 135.45 Low 5.57 (1) 6.30 (2) 6.41 (2) 6.52 (2)	Accrued interest 1.87 1.79 1.47 2.94 1.80 Sep 0/1) 8.9 0/1) 8.0 0/	yeld 8.01 9.60 9.81 8.63 9.15 8.79 8.79 8.79 9.79	6 Up to 5 7 Over 5 8 All stool 9 Debs as eclaim coupon Yr ago 8 17.29 8.97 7.34 8.97 inflation cate 1.73 2.97	i years (2) years (11) is (13) ad leans (7 yield (16.9) ((16.9) ((16.9) ((16.9) (Sep 16 185.43 170.87 171.50 6) 125.19 Low 1.82 (1971) 1.39 (2071) 1.42 (2071)	Sep 16 9.07 9.19	ge % 1 0.05 0.61 0.55 1.32 Sep 15	Sep 15 185.53 171.92 172.45 126.86 Righ coup Yr ago 6.82 7.53	0.91 0.61 0.63 2.41 con yield	yield 3.95 3.95 3.94 7.84 Low 5.91 (19/1) 8.63 (20/1)
UK Gibs Pri 1 Up to 5 2 5-15 yea 3 Over 15 4 Irredeems 5 yra 120 yrs 20 yrs 120 yrs 12	Sep 1 Sep	SFIXE: 5 FFXE: 5 Sep 18 119.26 136.11 151.28 173.38 134.26 5 Sep 15 5 8.68 5 8.68 6 8.58 7 8.67	Da chan chan to the chan to th	y's ge % 1.34 1.05 1.05 1.01 1.63 1.03 1.63 8.85 (16/6 8.85 (1/6 8.85 (1/6) 8.85 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8	Thur Sep 15 119.67 137.55 153.51 175.15 135.45 Low 5.57 (1) 6.30 (2) 6.41 (2) 6.52 (2)	Accrued interest 1.87 1.79 1.47 2.94 1.80 Sep 0/1) 8.9 0/1) 8.0 0/	yeld 8.01 9.60 9.81 8.63 9.15 8.79 8.79 8.79 8.79 9.79	6 Up to 5 7 Over 5 8 All stool 9 Debs and Wr ago F 6.63 8.91 7.29 8.97 7.34 8.97 1.73 2.97 3.02 3.79	years (2) years (11) is (13) id loans (7 yield (16.9) ((Sep 16 185.43 170.87 171.50 5] 125.19 Low 6.82 (19/1) 1.39 (20/1) 1.42 (20/1)	Sep 16 9.07 9.19	ge % 10.05 0.61 0.55 1.32 Sep 15 8.87 9.02 8.85	Sep 15 185.53 171,92 172.45 126.86 Righ coup Yr ago 6.82 7.53 7.54	interest 0.91 0.61 0.83 2.41 con yield	yield 3.95 3.95 3.94 7.84 Low 5.91 (19/1) 8.63 (20/1)
UK Gibs Pri 1 Up to 5 2 5-15 yea 3 Over 15 4 Inschement 5 yra 15 yra 20 yra insch Inschement 10 yra	Sep 1 Sep	S FIXE: Sep 18 1926 196.11 151:28 173.38 134.26 5 Sep 15 5 8.68 6 8.85 7 8.67	Da chan chan chan chan chan chan chan chan	y's ge % 1.34 1.05 1.05 1.01 1.63 1.03 1.63 8.85 (16/6 8.85 (1/6 8.85 (1/6) 8.85 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8.95 (1/6) 8	Thur Sap 15 119.67 137.55 153.51 175.15 135.45 Loss 9 5.57 (1) 6.30 (2) 8.41 (2) 8.62 (2) 2.13 (4) 2.88 (2)	Accrued Interest 1.87 1.79 1.47 2.94 1.80 7 Sep 1.79 8.9 0/1) 8.9 0/1] 8.9 0/1) 8.9 0/1]	yield 8.01 9.60 9.81 8.83 9.15 8.74 8.79 8.79 2.72 3.67	6 Up to 5 7 Over 5 8 All stool 9 Debs as editorn coupon W ago F 7.29 8.97 7.34 8.97 inflation rate 1.73 2.57 3.02 3.79	i years (2) years (11) is (13) ind leams (7 yield (16.9) (16.9) (16.9) (16.9) (16.9) (16.9)	Sep 16 185.43 170.87 171.50 6) 125.19 Low 1.82 (1971) 1.39 (2071) 1.42 (2071)	Sep 16 9.07 9.19	ge % 105 0.05 0.05 0.05 0.05 0.05 0.05 0.05	Sep 15 185.53 177.92 172.45 172.45 18gh coup Yr ago 8.82 17.53 7.54	interest 0.91 0.61 0.83 2.41 con yield	yield 3.95 3.95 3.94 7.84 Low 5.91 (19/1) 8.63 (20/1)

GILT EDGED ACTIVITY INDICES

Sep 15

Sep 14

Hotes	iii ^Y	ield Red	Price £	+ 0" ~	1 (Aph	994 Low	Notes	<u> </u>	Red	Prior £	+ 07 -	High	994	Role		79ed (2) P	rice E	+ 0" ~	18 High	994 Low
Day 10 - (Lives up to Five Y- read Spc 1994); 13pc 1995 pth 3pc Gas 1990-95 pth 3pc Gas 1990-95 reas 123-pc 1995; 1 repr 1996; 1 pth 13 lapt 1996; 1 pth 13 lapt 1996; 1 pth 13 lapt 1996; 1 pth 13 lapt 1996; 1 pth 1996; 1	8.95 11.75 10.5 9.96 12.01 12.92 13.98 12.21 9.53 7.22	5.48 5.75 5.78 6.67 7.07 7.32 7.56 7.96 8.19	10013 10214 902 10276 1052 1053 11113 10512 10576 9613	** 4 4 4 4 4 4 4 4	103 3 107,5 96,5 1079 1135, 117,5 121,5 117,5 112,5 1005,	10013 1021 974 1023 1063 1113 1063 1031 1031 9613	Trees 11*20c 2001-4 Funding 3*2sc 1999-4 Convention 9*2sc 2004 Trees 6*4pc 2004 Carry 6*4p or 2005 Trees 12*2sc 2003-5 7*4sc 2006*1 See 2007-61 Trees 11*2sc 2003-7 Trees 8*2sc 2007-† Trees 8*2sc 2007-†		8.32 7.94 9.12 8.96 9.09 9.38 8.99 9.07 9.40 8.96	110点点 70点 102号 85员 102号m	- 14 - 14 - 14 - 14 - 14 - 14 - 14 - 14	High 12913 8824 12524 10514 12572 11037 11154 11154 11154 11154	1102 702 1025 855 1023 1183 901 925 1132 963	Index-Linked 9 20x 39 67 45-ga 3011 175-2 25-ga 101	3 (1) 2.73 2.84 3.42 9. 3.53 9. 3.62 9. 3.62 9. 3.70 3.74 3.74 3.75	4.121 3.69 3.861 3.86 3.87 3.88 3.91 3.91 3.93 3.93	10812:d 10813:d 16813:d 16814: 16814: 15814: 15614: 13614:	中華中華中華中華	2035 113.5 1757 1757 1859 18445 1887 1757 1867 1867 1757 1867 1867 1867 1867 1867 1867 1867 186	
reas 12-uc 1997; such 10-uc 1997; mas 8-luc 1997; mas 8-luc 1997; 9-luc 1998; mas 7-uc 1998; 1-qu 1998-1 1-qu 1998-1 mas 12-uc 1998 mas 12-uc 1998 mas 12-uc 1998	11.97 10.01 8.57 12.80 9.45 7.65 7.17 12.09 12.62 10.84 9.29	8.54 8.82	11003 10073 10033 11734 10334 95334 11533 11044 1023	-13	1147,	110% 104% 100% 117% 103% 95% 115% 122% 110%		8.95 8.95 8.64 7.95 8.88 7.64	8.93	100 \$ miles	-1월 -1월 -1월 -1월	124 <u>11</u>	12513 10013 10013 7813 10113 1012 724	22pt 20	3.76 3.82 reption ratures in prior to 1 to 100 p 1 1994: 14	3.82 3.97 te on pr parenth Issue) : n Janua 11.3 and	and hav	-1 in -1 in -1 in Impatts how R	152(1) 129(4) 125(4) 20 of (7) 1671 bes 11 adjust Aerston 1 1694: 144	ge for lad to lactor 4.7.
the to fillness Years such 12 tupe 1998	10,93 9,90 8,72 9,74 - 8,97 11,10 9,81 7,82 9,45 8,55 9,52	8.97 1 8.85 8.72 8.91 9.10 9.11 8.99 9.00 9.15 8.08	1121g ad 1051g 1051g 1051g 1051g 1177g 1043g 881g 881g 1033g 1033g 1053g	-A	1282 1212 1213 1213 1203 1163 1223 1063 1232 1133 1272	112% 108% 25% 100% 117% 100% 117% 20% 100% 100% 100% 100%	Tress Spc 2013##	8.55 8.74 9.43 6.83 8.76 6.24 8.96 8.77 8.97	8.78 8.75 8.74 8.98	923(34) 902 1001 1274 40% 5564 2312 2312 2774 2774		1174 1144 1284	927, 90% 99% 127% 44% 36% 55% 28%	African Dev 111 ₂ 2010 Asken Dev 101 ₂ 2010 Asken Dev 101 ₂ De 2019 Physical P	9.67 9.69 9.87 9.09 9.01 12.24 10.87 9.59 9.38 10.13	9.24 9.23 9.56 - - 10.12	Prior E 115 A 108 116 I 127 I 128 I 12	-23. -23. -23. -14. -23. 	High 142.4 133.5 142 116.5 103.5 116.4 169.5 149.5 44.5 78 150.4 145.4	115.3 108 115.3 115.3 115.5 98.5 108.5 138
Top' stock. ## Tex-fr	ee to no	n-rest	ients on	444	poligra. E	Auctic	n besk, xd Ex dividend. (Joseng 1	mid-pri	O40 4F0 1	ahçanı	in pour		- -	1213	_	136		126-5	1364

MARKETS REPORT

Dollar struggles

Renewed US inflation fears also considered its upward progress, closing at SFr0.821 fall in the dollar on foreign exchanges, writes Philip Gowith.

A jump in the August capac-ity utilisation figures caused bonds to plummet, and the dollar followed suit. It closed in London at DM1.5376, down from DM1.55 earlier in the day, and at Y98.855, down from Y99.30

Sterling was a beneficiary of the dollar's weakness, touching a sixteen month high of \$1.5870 before slipping back below \$1.58 in late trade. It was also stronger against the D-Mark, spiking above DM2.44 in late trade, compared to Thursday's close of DM2.4183. The trade weighted index finished at 79.8,

The D-Mark was generally weaker in Europe. It finished at L1,011 against the lira, from L1,012. Against the French franc it closed at FFr3.418. from FFr3.422. The Swiss franc

Open Sett price

Chango -0.04 -0.08 -0.13 -0.13

High 94.96 94.31

94.95 94.29

Est. vol Open Int. 31S 3370 235 2139 0 1364 0 285

from SFr0.83.

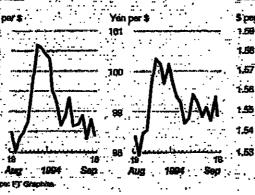
Although the dollar is only about one pfennig, and two yen, above its July lows, some analysts were impressed at its resilience. Mr David Cocker, economist at Chemical Bank, commented: "The dollar has performed rather well today considering the way the bond market has performed."

- Prev. close --1,5820 1,5813 ----Laborat---1.5845 1.5838 1.5820 1.5887

In recent weeks the market has been less keen to sell the dollar, leading some analysts to hint at a possible change in

The dollar, however, still faces some serious short-term obstacles. One is the markets'

1.57 1.58



Reserve is "behind the game"

in combatting inflation. The

dollar is unlikely to recover

The other problem is politics.

an end of month deadline, both

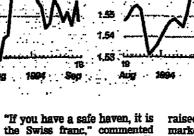
generalised D-Mark weakness,

the Swiss franc continued to

have the potential to cause dol-

against this background.

CURRENCIES AND MONEY



tional strength in the franc ahead of German elections. The Haiti issue, and the US-Ja-pan trade talks, which reach Sterling was also a notable beneficiary of the D-Mark's weakness, but analysts said there was also an element of independent strength.
"The psychology of the market was transformed by Mr ■ Against an environment of

one analyst - and the tradi-

Clarke's decision to raise inter-est rates. The prospects for sterling have improved dramatically," said Mr Cocker. He said that rates had been

raised two months ahead of market expectations. "It is not known in the UK for chancellors to do that. It could be seen as a radical change in UK monetary management."

DM per 2

2.42

2.41

2.40

2.39

2.35

■ The larger than expected August PSBR figure, and the downturn in the gilts market hit short sterling. All the 1995/ 1996 contracts lost about 15 basis points.

In its daily operations the Bank of England provided UK money markets with £270m late assistance. Earlier it had

provided £100m assistance, at established rates, after forecasting a £500m shortage. Euromark contracts also lost ground, with rumours in the market that interest rate hawks on the Bundesbank council were beginning to flex

French franc

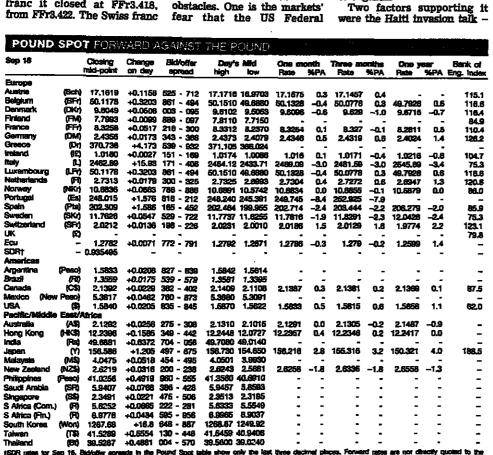
FFr per DM

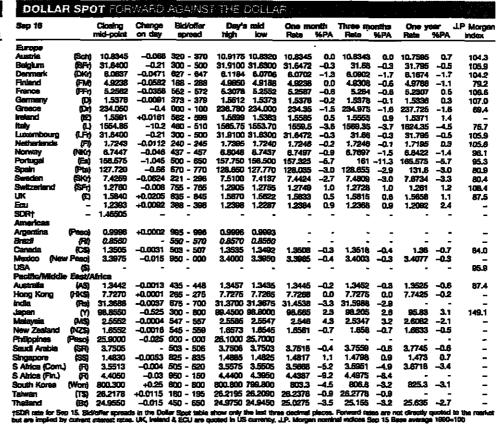
3.425

3,430

8,435

2 168.638 108.330 - 106.430 - 2745.00 1748.00 - 1750.00 - 2,4719 0.2873 - 0.2975.0 - 2671.70 2299.00 - 2318.00 7/42,00 - 27/45,00 0,4708 - 0,4719 26333,4 - 36403,9 3641,60 - 3671,70 5,8151 - 5,8286 ken Kussak Poland Russia U.A.E.





CROSS RATES AND DERIVATIVES **EXCHANGE CROSS RATES** (BFr) 100 (DKr) 52.19 (FFr) 60.20 (DM) 20.57 21.31 11.12 12.83 4.384 23,46 12,24 14,12 4,828 4.032 2.104 2.427 0.830 1.995 1.041 1,201 0.411 4.268 3.160 1.649 1.902 0.650 312.3 163.0 188.0 64.24 19.16 10 11.53 18.51 8.569 10 3,418 4.860 2.536 2.926 2.027 1.058 1.220 0.417 4914 2565 2958 1011 5.449 2.844 3.280 1.121 494.8 258.2 297.9 101.8 403.B 2.550 210.8 243.0 83.05 2.227 2.569 0.878 1 2.396 0.099 0.862 2.281 0.982 1.204 2.071 1.205 2.436 1.139 1.538 1.557 (DM) 20.57 (E) 49.33 (F) 18.35 (F) 18.35 (N) 48.83 (E) 20.21 (F) 20.21 (F) 24.78 (S) 50.12 (C3) 23.43 (S) 50.12 (S) 50.1 9.453 0.390 3.517 8.993 3.873 4.747 8.167 4.752 9.604 4.490 6.069 6.137 7.515 8.195 0.338 3.049 7.796 3.357 4.116 7.080 4.120 8.326 3.892 5.256 5.320 6.515 2424 100. 901.9 2306 993.1 1217 2094 1219 2463 1151 1555 1574 2.688 0,111 1 2.557 1.101 1.350 2.322 1.351 2.731 1.277 1.724 1.745 2.137 10.51 0.434 3.911 10 4.306 5.279 9.082 5.285 10.68 4.993 8.742 6.824 8.857 244.1 10.07 90.81 232.2 100. 122.6 210.9 122.7 248.0 115.8 158.6 158.5 194.1 199.1 8.214 74.08 189.4 81.57 100. 172.0 100.1 202.3 94.58 127.7 129.3 158.3 11.57 0.477 4.306 11.01 4.742 5.813 10 5.819 11.76 5.498 7.424 7.514 9.202 0.984 0.041 0.366 0.835 0.403 0.494 0.850 0.495 1 0.468 0.631 0.639 0.782 2.105 0.087 0.783 2.003 0.863 1.057 1.819 1.058 2.139 1 1.350 1.867 1.874 0.041 0.372 0.951 0.410 0.502 0.864 0.503 1.016 0.475 0.841 0.649 0.795 0.082 0.740 1.892 0.815 0.999 1.719 1 2.021 0.945 1.275 1.291 0.052 0.468 1.197 0.515 0.632 1.087 0.632 1.278 0.597 0.807 0.064 0.580 1.483 0.639 0.763 1.347 0.784 1.584 0.741 1 I JAPANESE YEN FUTURES (BAN) Yen 12.5 per Yen 100 Open 1.0082 1.0126 1.0220 Changa +9.0049 +0.0052 +9.0017 Low 1.0074 1.0120 1.0217 Change +0.0035 +0.0022 +0.0023 High 0.6502 0.6605 0.6495 Latest 1.0110 1.0179 1.0217 High 1,0122 1,0196 1,0220 Est vol Open int. Open int. 10,399 26,288 285 31,431 37,082 2,145 0.6445 0.6445 0.6470 60,788 67,834 3,725 0.6445 0.6481 M. STERLING FUTURES (IMM) 282,500 per 9 1.5664 1.5618 1.5850 1.5730 1.5712 1.5680 +0.0092 +0.0096 +0.0072 1.5760 1.5732 1.5680 2,164 4,424 21 21,953 27,121 212 0.7775 0.7770 0.7830 4,278 13,233 28 20,828 33,128 305 1.5664 1.5618 1.5650 +0.0019 +0.0016 0.7840 0.7858 0.7845 WORLD INTEREST RATES IN THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100% **MONEY RATES** Over night

	ATES															
September 16	Over	One	Three	Sbo	One	Lomb.	Dis.	Repo		Open	Sett price	Change	High	Low	Est. voi	Open in
roprostine	night	month	miha	mths	year	inter.	<u>eten</u>	rate	Sep	94,94	94.90	-0.04	94.95	94.89	18790	118981
			54	50	814	7.40	4.50	_	Dec	94,74	94.67	-0.07	94.77	94.87	42477	189137
leigium	4% 4%	5 <u>&</u> 5 <u>&</u>	516	5%	6.	7,40	4.50	-	Mar	94.35	94.24	-0.10	94.37	94.22	39901	172232
week ago	53	54	5%	56	6%	5.00	_	6.75	Jun	93.96	93.81	-0.13	93.98	93.80	26245	103257
runce	5 <u>4</u>	54	5%	52	6%	5.00	_	6.75		r month i	EUROLINA 1	NT.RATE	FUTURE	(TILLED) F	1000m poin	<u>ts of 100°</u>
Meer va	4.87	5,00	5.02	5,128	5.53	6.00	4.50	4.85		Open	Sett price	Change	High	Low	Est. vol	Open in
MBSF 250 JOLUTELA	4.90	5.00	4,95	5.10	5.46	6.00	4.50		Can		91.30		91.37	91.28	2907	17404
reland	1	514	61	66	74	-	_	6.25	Sep Dec	91.30 90.17	90.07	-0.06	90.24	90.04	8965	32076
waek ago	4.5	514	63	64	7%	-		6.25	Mar	89.48	89.36	-0.12	89.54	89.35	5835	18768
toly	84	874	856	306	10%	-	7.50	8.45	Just Just	89.07	88.94	-0.13	69.10	88.92	891	14849
week ago	615	814	815	97	10%	-	7.50 5.25	8.45			EURO SWIS					of 100%
lethertands	5,01	5.01	5.07	5.24	5.63	-	5.25	-	T THE	MUNICAL						
work ago	4 84	5.01	5.02	5.16	5.49 434	6.625	3.50	=		Open	Sett price	Change	High	LOW	Est. vol	Open ir
witzerland	354	3™	4	4.5	4%	6.625	3.50	Ĭ	Sep	95.95	95.96	-	95.98	95.94	2143	13711
week ago	3:	3.4	46	4% 5%	58	0.44.5	4.00	_	Dec	95.64	95.58	-0.06	95.64	95.52	5000	21559
J\$	4%	43		514	5%	_	4,00		Mar	95.20	95.14	-0.07	95.20	95.14	1019	12403
week Ago	42	43	4월 2개	21	211	-	1.75	_	Jun	94.90	94.76	-0.13	94.90	94.72	451	6130
apan .	2'*	2&	2%	52	2	_	1,75	-	e Three	E MORTH	ECU FUTUR) Sculm p	plints of 100	D%	
wook ago	21/4	28	N ₂ 78				<u>`</u>			Open	Sett price	Chance	High	Low	Est. vol	Open ir
S LIBOR FT L	London				- 4	_		_		-			-	94.03	901	7869
nterbenk Fixing		470	54	54	54	_	Ξ	Ξ	Sep	94.06	94.04	-0.02	94,07 93,48	93.37	2208	7557
одс хару	-	4%	5	54	52	-	-	-	Dec	93.46 92.85	93.38 92.84	-0.07 -0.07	93.48 92.95	92.84	515	5045
S Dollar CD2	-	4.65	4.82	5.12	5.68	-	-	_	Mar Jun	92.50	92.04	-0.05	92.52	92.42	342	2307
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ty an other is by The hanks and at raice are whom	RU Karatak DE	MI-034 I							Sep	Open 94.96	Latest 94.52	Change -0.03	High 94,98	LOW 94,92	Est. vol 38.135	Open in 318,547
URO CUF	trenc	y int		T RA					Dec	94.31	94.24	-0.06	94.31	94.22	67,768	509.26
								One					93.95	20.04		
	Short	7 day		One	Three	Six				93.95	93.85	-0.09	32.50	93.84	57,017	
iep 16	Short Intro	7 day		One with	months	monti	hs.	year	Mar		93.85	-0109	30.50	93.64	57,017	
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leigum Franc	412 · 412	notic 5 - 4	e 17	ionth	months 51 ₂ - 53 ₁ 63 ₄ - 61 ₂	5% - 5% - 5% - 5% - 5% - 5% - 5% - 5% -	hs 54 714	614 - 614 711 - 715	Mar	93.95	93.65 ELL PUTUR				57,017	
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	Netherlands	2.19872	2.14865	+0.00046	-2.19	5,42	
	Belglum	40,2123	39.4513	+0.029	-1.69	5.10	14
	Germany	1.94964	1,91667	+0.00115	-1.69	4.89	-
	ireland -	0.808628	0.801035	-0.002164	-0.94	4.09	6
	France	6.53883	6.55322	+0.00441	0.22	2.89	-2
	Portugal	192,854	194,987	+0.016	1.11	1,99	-7
	Denmark	7,43579	7.55956	-0.00215	1.65	1.44	-11
	Spein	154,250	159,056	+0.301	3.12	0.00	- <u>22</u>
	NON ERM ME	EMBERS					
	Greece	284,513	291,892	+0.067	10.35	-6.56	_
	Italy	1793.19	1934.74	-5.27	7.89	-4,43	_
	UK	0.786749	0.790150	-0.001808	0.43	2.67	_
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		8.34					
	1.500	6.84	8.22 5.85	8.23 6.00	-	0.03	0.07 0.29
	1.525 1.550	3.32	3.63 3.61	4.00	-	0.29	0.77
	1.575	0.87	1.84	2.43	•	0.96	1.63
-	1,800	0.67	0.72	1.29	1.47	2.33	2.92
	1,695	- :	0.72	0.60	3.92	4.25	4.71
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- 1	Starting CDs			54 - 54	5½ - 55a	64 - 64	74 - 7
- 1	Treasury Bills			512 - 512	55g - 512		
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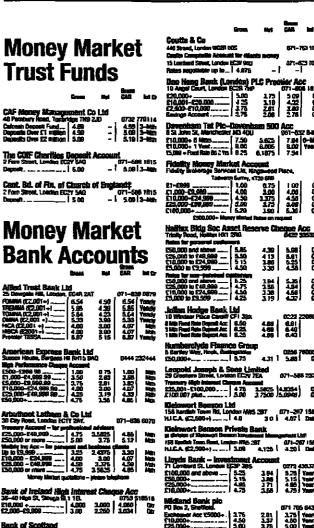
EMS EUROPEAN CURRENCY UNIT RATES

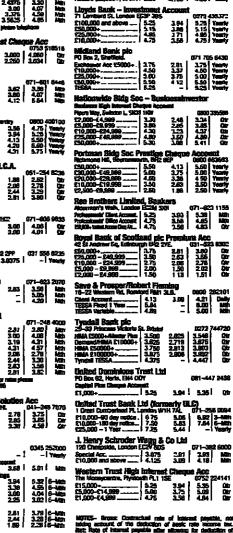
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				• •			
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Sep Dec	Open 94.18	Sett price 94.16	Change -0.01	High 94.19	Low 94.15	Est. voi 7535	Open int 78102
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Benk of India	eHambros Benk 5.75 Hedzible & Gen Inv Bk. 5.75 eHill Samuel 5.75 C. Hoare & Co 5.75	CUnited Bix of Kuwait								

%

MONEY MARKET FUNDS







3.05 4.10 5-Mm 2.25 3.02 5-Mm 2.06 2.77 6-Mm 1.73 2.32 8-Mm

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LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be Details relate to those securities not included in the FT Share Information

Unless otherwise Indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest

For those securities in which no business was recorded in Thursday's List the latest recorded business in the four previous days is given

ational Westminster Bank PLC 11¹2% Und-SubNits £1000(Cnv to Fr98r - £103

(Br 250008100000) - 2103.05 J/7 (83694) letionate Building Society 1114% Nts 1997 6r 25000 8 100000] - 21065; letionate Building Society Zero Cpn Nts 1998 (Br 2 Var) - 2707; (83694) few Zeeland 89% Bots 1999(8r)(1000810000) - 2101.45 J.6

Var) - 130¹g (145e94) werGen PLC 8% % Bds 2003 (Sr

bury (J.)(Chennel Islands)Ld

Freder(Kingdom of) 111/96 Bda 198 £5000) - £102 (12Se94)

Tarmec Finance (Jersey) Ld 9¹/₂% Cmv Cap Bds 2008 (Fieg C1000) - 528¹/₂ (145e84) Termac Finance (Jersey) Ld 9¹/₂% Cmv Cap Bds 2008(Br 55000850000) - \$100¹/₂

3i Group PLC 1114% Gtd 8ds 1996 (8r 51000810000) - 510514 (125494)

Si International BV 74% Gtd Bds 2003 (Br £

Var) - 038¹2 (13Se94) Var) - 038¹2 (13Se94) Varo Electric Power Co Inc 7¹5% Nts 1898

(Sr £ Var) - £94.8 % okyo Bischic Power Co Inc 11% Nts 2001 (Sr £1000,10000 & 100000) - £106 (145e94)

easury Corporation of Victoria 83,% Gtd. Eds 2003 (Br £ Var) - £942 (145e94)

4=0.400 (83e94) weden(füngdom of) £800m 7¹2% Nis 3/12/ 97 - £97

97 - 597 Needen(Angdom of) 2250m 7% Instruments 23/12/98 - 2937 7 (83664) Needen(Angdom of) 2350m 77₈% Bds 28/7/ 2000 - 1937 (83684) Needen(Angdom of) \$C300m 8% Debt

Sterling Issues by Overseas

Bank of Greece 10-k % Ln Stk 2010(hegg -986 Bank of Greece 10-k % Ln Stk 2010(Br) - 295 Credit Fonder De France 10-k %GdSart.NSt2011,12,13,14(Reg) -

Borrowers

£12412 1 5

Investment Trusts)

Tung Ha Steel Enterprise 2001(Br\$10000) - \$112

5e Corp 4% 8ds

British Funds, etc Trinesury 13½% Six 2000/03 · £122½ Guaranteed Export Finance Corp PLC 12½% Got In Six 2002[Feg] · £18½½ Guaranteed Export Finance Corp PLC 12½% Ged In Six 2002[8:£100008100000]

Corporation and County Stocks Breston(City of) 11½% Red St. 2006 - C112½ (13Se94) Saford (City of) 7% Ln St. 2019(Reg)(F/P) -C78½

UK Public Boards Cycleport Ld 3% Irrd Six - £29 (13Se94) Cycleport Ld 4% Irrd Six - £39 (13Se94) Forth Ports Authority 31/96 Funded Debt

Port of Landon Authority 3% Port of Landon
A Stk 29/99 - £75% Foreign Stocks, Bonds, etc-(coupons payable in London) Abbey National Sterling Capital PLC8-6% Subord God Bids 2004@FCVary - C82-5 Abbey National Treasury Servs PLC 8% God Nat 1999@FC1000.100001,100000] - C8713 (138-94)

Abbey National Treasury Servs PLC 71, % Gad Na 1996 GH & Var) - 036.8 Abbey National Treasury Servs PLC 8% Gld Bds 2003 GH & Var) - 0301 elopment Bank 11¹4% Bds 2001

ica inc 912% Gtd Nts 1998 (Br C Var) - Liu III.

Barclays Sank PLC 8.5% No communication of CBO's

Barclays Sank PLC 914% Bids 1999 (Br
FR100008100000) - FR104.8 (14Se)4)

Barclays Bark PLC 1014% Sen Sub Bids
1997(BrC1000810000) - C1031-12

Barclays Bark PLC 124% Senior Subord

Bids 1997(BrC1/ar) - E110

The Georg Subord Nts (BrEV) Bon 1997(BrtVar) - £110
Bon 1997(BrtVar) - £110
Bonings PLC 91/95 Perp Subord Nts (BrtVari-

(143694) XXIS 22/1/96(Br \$10000) -(135:694) Fritish Arneys PLC 912% Nts 1997/Brč1000810000) - £10712 British Arneys PLC 10% Eds 1998/Brč1000810000) - £1025₈ (135:694) British Gas PLC 75₈% Nts 1997 (Br £ Var) -£39 (135:694)

at Gas PLC 75,% Bds 2000 (Br £ Var) British Gas PLC 107 % Bds 2001(Br 21000,100008.100000) - 2105¹4 (14Se94) Sribeh Ges PLC 8¹2% Bds 2003 (Br E Var) -

British (GBs PLU 8*47° DDs 2008 (B* £ Vm) - CS.6125
British GBs PLC 8*2% 8ds 2008 (B* £ Vm) - CS.6125
British Land Co PLC 12*1/4 8ds 2018
(Br.100008100000) - £119*2
British Telecommunications PLC 2*00 Cpn
Bds 2000(Br.110008 10000) - £82*2 (95894)
British Telecommunications PLC 7*1/4 8ds 2003 (Er E Var) - 987 & ns PLC 65-% 9ds Telecommune (BrtVers) - 594¹g (BrtVers) - 594¹g (BrtVers) - 594¹g (BrtVers) - 594¹g British Telecommunications PLC 121/4 68 dis 2006 - C119[2] (1458-94) Surmah Cestrol Capital(Jersey) Ld 91/2% Crv Cap Bds 2006 (Reg 10:00) - 5152 Burmah Cestrol Capital(Jersey) Ld 91/2% Crv Cap Bds 2006(875500355000) - \$1501/2 1 Cestrolla Listan EC - 01/16/20 248 648 648 Cap Bds 2005(B-25000550000) - C150½ 1 Commercial Union Pt.C 10% % Gld Bds 2002 (Br £ Var) - £105.47 (85684) Daily Mail & General Trust Pt.C 8% Exch Bds 2005 (Br£100085000) - £159½ 1155.600

(135664) lennark@ngdom of 814% Nts 1998 (Br £ Var) - 5224; 31g 1₄ K Enterprise Pinance PLC 814% Gtd Exch Enterprise Of PLC 10-3% Nos 1996 (Er 55008:100000) - E103-2 (125-94) Far Eastern Department Stores Ld 3% Bids 2001(Reg Integral multi \$1000) - \$97 Far Eastern Teatle Ld 4% Bids 2008(B-\$10000) - £116¢ Prison(Republic of) 94% Nts 1997 (Br£ Var) - £103 (135-94) Enterprisonation

- THS (133694) Finandifequatic of 10⁵/₂% Bds 2008(BrC1000A10000) - £103¹/₂ (14\$694) Forte PLC 9¹/₂% Bds 2003 (Br £ Var) - £92⁵/₂ 31_a Full Bank Ld 13₄% Cnv Bds 2002(Br\$5000) -\$106 (135e94)

31a
Subsection of the second series of the second s

SSA 45 (14Se64) BrightPopulate off 10¹/₂% Eds 2014 (ext-1000aSe000) - C10S-1 Japan Dovelopment Burk 7% Gtd Eds 2000 Br C Van - 1911 - 2 Acresi Electric Power Co Inc 7¹/₂% Nts 1998

Saig51/99, E 20 (35684)
Bangkok Investments Ld Pig Red Prf \$0.01.
\$142 (149694)
Banner Homes Group PLC Ord 10p - 140
Berdays PLC ADR (4:1) - \$3954 (135694)
Barclays Bank PLC 1294 Ung Cap Ln Stk
2010 - £115 (145694)
Barclays Bank PLC 1696 Uns Cap Ln Stk
2002/07 - £1314; 2 ½ 4 (145694)
Barclays Bank PLC 1696 Uns Cap Ln Stk
2002/07 - £1314; 2 ½ 4 (145694)
Bardon Group PLC 7.25p (Net) Cnv Red Prf
25p - 85 .46 ½ 9½
Barlogs PLC 8% Cum 2nd Prf £7 - 97½
(145694)
Barlogs PLC 8% Cum 2nd Prf £7 - 97½

520 Bee PLC ADR (2:1) - \$17,499417 (148e94) Bes PLC 10¹2% Deb Stk 2016 - £110¹4 (148e94) BES PLC 4¹2% Una La Stk 92/97 - £87 ¹2 (148e94) 185 PLC 74% Unit Lin Stk 92/67 - 126 6 Bess Investments PLC 73% Uns Un str az 97 - 285\$ Bellway PLC 9.5% Cum Red Pri 2014 £1 -

(120404) orsk flydro AS 93,96 Mbs 2003 (Br £1000&10000) - £991₂ (123694) orway (Kingdom of) 73,96 Mbs 1998 (Br SC Var) - \$C96.05 (138694) Var) - 3C396.US (1356844) Lonesy (Kingdom of 8.375% Nts 2003 (Br SC Var) - \$C85% (135694) Desies Ges Ço Ld 8.125% Bde 2003 (Br C Power Gan PLC 8% % bios accompany to the company of

(125694)

Brent International PLC 9% Curn Red Pri S1 - 8812 7/2 (145694)

Brent Walker Group PLC Was to Sub for Ord - 1 (145694)

Brent Walker Group PLC 8.5% 3rd Non-Curn Criv Red 2007/10 S1 - 3 (135694) Carv Fled 2007/10 £1 - 3 (138e94) Visital Water PLC Blyte Cum land Frf £1 -104/2 (148e84) C136 7
Scotland International Finance SV 14¹2%
Final/FRN 1998(BIS1000) - 5981₂ 39.9
Slough Estates PLC 11¹3% Bds 2012 (Br £ Var) - £109.175 (14564)
Smithietre Beecham Capital PLC 7¹3% Gtd Nts 1998 (Br £ Var) - £951₄
Societe Generale 7.875% Perp Subord Nts (Br £ Var) - £951₄
Svensk Exportivedt AB 8.375% Nts 1998(BiS0008100000) - \$102.85 (12564) 104½ (148e94) Bristol Water Hidge PLC Ord £1 - 985 Bristol Water Hidge PLC 6.75% Curn Criv Red Prf 1996 Shs £1 - 194 one of 1990 one of 1994 Sheld & West Building Society 13 1/2% Perm int Beering Shis £1000 - £122 2 3 3

ican Tobacco Co Ld 5% Cum Pri 9tk £1 - 50 can Tobacco Co Ld 6% 2nd Petroleum Co PLC 9% Cum 2nd Pri roadstoner Hidgs PLC 4.2% (Firsty 6%) Cum Pri \$1 - 55 (98e94) Suign(AF) & Co PLC Ord Shs 5p - 56 60 Suign(AF) & Co PLC Ord Shs 5p - 56 60 Suimer(HP)Hidgs PLC 84/16 2nd Cum Pri E1 - 103/4 r(HLP.)Hidgs PLC 912% Cum Pri 21 -

110 1 (13 Samman Castrol PLL 8% Cam PH 21 - 77
(13Se94)
Burton Group PLC 8% Crv Uns Ln Stk 1990/
2001 - 23
Butins Mining PLC 10% (Ned) Crv Curn Red
P1 1994 10p - 3¹2 (13Se94)
CSSC Ld Equity Ru10 - 205
Californie Energy Co Inc Siss of Com Sik
\$0.0976 - 210.991377 10.977497 (8Se94)
Cambridge Water Co Cons Ond Six - 961006
Cardo Engineering Group PLC 10¹2% Curn
Red Pri 21 - 102
Carlisley Group PLC 4.38% (Ned) Red Crv Pri 200 ((24510000) - \$112
U-Ming Marine Transport Corporation 1¹2%
Bds 2001(Reg in Mult \$1000) - \$599½ 100½
Unilever PLC 7¹2% Nits 1998 (Sr 2 Var) 598.2 (133694)
Victorian Pbic Attra Fin Agency 9⁵2% Gtd
Bds 1999((5r2Vars) - £101½
Warburg(S.G.) Group PLC 3% Perp Subord
Nts (RepNtsBrs) - £83½ (135684)
Weigh Warb Utilities Finence PLC 7¹2% (Btd
Bds 2004 (9)£24rious) - £84.45\$.55\$ ½\$
Leeds Permenent Building Society £100m
Fig Ris Nts June 1997(8)£100000) 538.755 (83694)

1988 \$1 - 65 (125e84) p PLC 4.38% (Net) Red Cnv Prf 227¹3 ⁵8 (14589) Carton Communications PLC 7¹2% Crv Subord Bds 2007(Reg 25000) - £183 (133559) Jartion Communications PLC 7¹2% Criv Subord Bds 2007(Br £5000) • £130 131 485404

2000/01 - 137 (135494) Cleveland Place Holdings PLC 34/% Ind Deb Stk - 136 (125694) Coestal Corporation Star of Com Stk \$0.33 1/ 3 - 130/2 (85494) Coests Patone PLC 64/% Uns. Ln Stk 2002/07

European Investment Benk B% Ln Sk 2001
(Reg) - 1993-2
European Investment Bank 6% Ln Sk 2001
(Br05000) - 1993-3 is 1138-84
European Investment Bank 6½% Ln Sk 2009 - 1103-3875 L L
European Investment Bank 10½% Ln Sk 2004-69 - 1103-3875 L L
European Investment Bank 10½% Ln Sk 2004-69 - 1103-38 (148-864)
European Investment Bank 11½ Ln Sk 2004-69 - 1103-38
European Investment Bank 11½ Ln Sk 2005-69 - 1103-38
New Zestend 11½% Stk 2006(Reg) - 1114½ (138-64)
Sk 2003 - 113-38
New Zestend 11½% Ln Sk 2010(Reg) stment Bank P% Ln Stk 2001 relat Union PLC 3.5% Cum Red Pri E1 - 65
Commercial Union PLC 83/96 Curn land Prf
E1 - 973/4 8 (138/96) Style Curn land Prf
E1 - 1043/2 3/4
Co-Operative Berik PLC 9.25% Non-Curn land
Prf E1 - 1094/4 (138/96)
Cooper (Frederick) PLC 6.5p (Net) Crn Red
Curn Prg Pt 10p - 85 6
Courtauids PLC 53/2% Une Ln Sit 94/96 E34

SpeinfiGngdom of 11¹, % Ln 5tk 2010[Regi -C118¹, [145484] 143604) ingdom of) 934% Ln Sik 2014(Reg) Listed Companies(excluding ABF Investments PLC 51/2% Ure Ln S& 677 2002 50p - 37 (1354/94) ABF Investments PLC 71/2% Ures Ln S& 677 2002 50p - 40 (1354/94) APV PLC 3.15% Cum Prf C1 - 48 (1454/94) ASH Capital Finance(Jersey)Ld 91/2% Cmv Cap 84e 2006 (Peg Units 100p) - 6761/4 (1384/94) Abtust Alber Fund Sixs of NPVI Innex Com-

125647 October 210 Pt 21 - 43 (12564)
Development Sect (investments) PtC 11% 1st Mip Deb Sh. 2016 - 25812 [145664)
Development PtC Ord 10p - 1000 Dominion Energy PtC Ord 5p - 1242 (65664)
Dover Corp Corn Sh. \$1 - 558 .7
During Plantations Ld 696 Curn Ptf 21 - 63 (125669)
East Surrey Water PtC 10% Red Deb Sht 97/99 - 2101 (135694)
Ectiose Blinds PtC Ord 5p - 812 1, 9 1, 12 5, 1 Cap Bdb 2006 (Fieg Units 100p) - C7614
(138e94)
Abbrust Alds Fund Shs of NPV/Japan PortioIso - 20.755 (145e94)
Asbrus Materiaum Growth Fundt Caymeniud
Ord Sto 11 - 51214 13 1314 131; 131;
Aeson Group PLC 6 25p (Ned Criv Curn Red
Pri 10p - 46.48 1₂ 7 7 (135e94)
Affeet London Properties PLC 1014 1s 1st Mbg
Ord Str 2025 - C1077 (145e94)
Alled-Lyone PLC 51276 Curn Pri 17 - 57
(135e94)
Affeet London Properties PLC 1014 1s 1st Mbg
Ord Str 2025 - C1077 (145e94)
Affeet Lyone PLC 51276 Curn Pri 17 - 77
(135e94)
Affeet Lyone PLC 5124 5 Curn Pri 17 - 77
(135e94)
Affeet Lyone PLC 514 5 Uns Ln 56, - 25112 Alled-Lyons PLC 51/19 Uns Ln 9tk - 2511/2 Nied-Lyons PLC 61-4- Une Ln Str. - 662 312 [1456-4-4] Alied-Cyons PLC 71246 Une Ln Str. - 674 [1456-4-1]

1145e94)
Allied Lucrus PLC 7 ½% Uns Un Str. 93.798 124 (1145e94)
Allied Lyone Financial Services PLC61, %
CRGCM-StoordBeta:008 RegMuss:1000
1101/2 (135e94)
Avis PLC 5.5% Crw Curn Non-Vitg Red Prf
51 - 72 4 (125e94)
American Brancis Inc. Stre. of Comm. Comm. Brands Inc Shs of Com St. \$3.125 Amendan Prancis in Come St. 53.125 - 53.42

Andrews Sylves Group PLC Criv Prf 50p - 41
Anglan Water PLC 51g% Index-Index LnStk.
20080.257816) - £1.321g (125e84)

Anglo-Eastern Plentations PLC Werrants to sub for Ord - 25 6

Anglo-Eastern Plentations PLC 121g% Uns Ln Sts. 59:89 - £38 100 (145e84)

Arrigo-Eastern Plentations PLC 121g% Uns Ln Sts. 59:90 - £38 100 (145e84)

Arrigo-east Ld N Ord R0.0001 - £181g

(113e84)

Amenda PLC 101g46 Uns Ln Stk. 91/96 - £100 (125e84)

Attendots (Plance) NV 81gp Glid Red Criv Prf 5p - 89

nutomated Security/Hdgs) PLC 5% One Cum Red Pri C1 - 72 (14Se94) unomated Security(Holgs) PLC 6% Cre Cum Red Prf C1 - 58 Rec Prf C1 - 58

B.A.T Industries PLC ACR (2:1) - 08.3¢

B.3142¢ B.3344¢

B.3142¢ B.3344¢

BET PLC ADR H:11 - 56.49978

BM Group PLC 4 Sp (Net) Cav Curr Red Prf 20p - 65½ 6 7

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BOC Group PLC ADR (1:1) - \$11 (99494) BOC Group PLC 3.5% Cum 2nd Pri 21 - 61 BOC Group PLC 124,% Line Ln Six 2012/17 BTP PLC 7.5p(Net) Cnv Cum Red Pri 10g -BTR PLC ADR M:11 . S20 6

Sugar/96j - 130 (\$3,694)

(145694) Berings PLC 94,16 Non-Cum Pri 21 - 113 Bernato Exploration Ld Ord R0.01 - 60 Berr & Wallace Amold Trust PLC Ord 25p -

106 7/2 (135899)
Beradin Höge PLC Sp - 47
Bergeson d-y AS '8" Non Vig She NK2.5 - NK155 B²2
Briningham Midohine Building Soc 9³9%
Perm Int Beering She 11000 - 625½ 6
Blackwood Hodge PLC 8% Cum Red Pf €1 - 39
Blue Circle Industries PLC ADR (1:1) - \$4.64
Blue Circle Industries PLC 5% % 2nd Deb Sti.
1984/2009 - \$289½ (12589%)
Boots Co PLC ADR (2:1) - \$16% (14589%)
Bradford & Bingley Building Society115/16
Perm Int Bearing Sta 210000 - \$109½ &
Bradford & Bingley Building Society13%
Perm Int Bearing Sta 210000 - \$120½ (12589%)
Bradford & Bingley Building Society13%
Perm Int Bearing Sta 210000 - \$120½ (12589%)
Bradford & Bingley Building Society13%
Perm Int Bearing Sta 210000 - \$120½ (12589%)

Cum Pri Stk £1 - 59¹2 British Petroleum Co PLC 8% Cum 1st Pri £1

Bunzi PLC 7% Cinv Uns Ln Stk 95/97 - £104 Jurmah Castrol PLG 6% Cum 1st Pri Stk £1 • 62 (139694) nah Castrol PLC 714% Cum Red Prf 21 -

(BSe64)
Centex Corporation She of Com Stk \$0.25 \$28¹/₂ (BSe64)
Cheberham & Goucester Build Soc 11²/₄ N
December Resented She 650000 - 2112¹/₄

Costs Vivels PLC 4.8% Cum Pri 21 - 64 (13Se94) (103094) Cohen(A.) & Co PLC Non.V "A" Ord 20p -480 90 (145694)

Countailles PLC 73/1% Une Ln S& 2000/05 -

Egoli Consolidated Mines Ld Ord Sha No Par Value - 30\$ El Ord MiningliExploration Co PLC Ord 10p -560 non House PLC 7.5% Onv Cum Red Pri 21 - 110 (145-694) Emess PLC 6.25p(Net) Cnv Cum Red Pri 5p - 75 ½ 6½ English China Clays PLC ADR (3:1) - 517 ½ .524413 SCA13
Fireson(LM)(TelefonsidebolagedSer
BRog(SK10 - SK404 5 ½ .7 8 7 7 .18 6 ½
9 10 22
Euro Disnay S.C.A. She FR5 (Depository
Riccapts) - 106 10 1 2 5 7
Euro Disnay S.C.A. She FR5 (Br) - \$1.68
FR5.36 8.02 225 35
Furnitural PI C/Sustitutional SA Lista (1 EPLC)

PHS.96 9.02 225 35
Eurotumel P.6.7 Eurotumel SA Units (1 EPLC Ord 406 61 ESA FR10) (84) - 12.2622 (125e94)
Eurotumel P.C./Eurotumel SA Units (Scovam Inscribed) - FR21.9 2.45 .6 .68 3.05 .12 5.03 3.US 1.12 5.US
Emoturned PLC/Eurotumoel SA Fract
WastEPLC & 165A WistoSub forUnital 1151s \$ 2.1056 (1258d)
Ex-Lands PLC Warrants to sub for Shs - 23
12 1358dbur Group PLC 11.5% Cum Prf £1 - 95 Extraord Good PtC 11.3% Curr Pt (1 - 5)
125695 Diploration Co PLC Ord Skt. 5p - 247 50 5
Felson Holdings PLC Ord 5p - 131
Flat Chicago Corp Corn Skt. 5p - 349-34
(SSC94)
Flat Debenture Finance PLC 11.125% Severally Gid Deb Skt. 2018 - 1117-34
First National Building Society 11 4 % Perm
Int Bearing Sha 21000 - 1384-96
Flat National Finance Corp PLC 7% Cnv
Curr Red Rf (21 - 137
Security PLC ADR (4:1) - \$7.50 (148-964)
Flatons PLC 57/56 Uns Lin Skt. 2004/09 - 1999
(128-964)

char Challenge Ld Ord \$N0.50 - 158 Flatcher Challenge Ld Ord \$N0.50 - 158
(143664)
Folicas Group PLC Ord 5p - 44 7 8
Forie PLC 9.1% Um Ln Stk 95/2000 - 199
(143664)
Forinum & Mason PLC Ord Stk 11 - 108
(133694)
Franchy Hotels PLC 44.% Crv Cum Red Prf 11 - 82 (123694)
Franchy Hotels PLC 7% Crv Cum Red Prf 11 - 82 (123694)
Franchy Hotels PLC 7% Crv Cum Red Prf 11 - 82 (133694)
Franchy Hotels PLC 7% Crv Cum Red Prf 11 - 82 (133694)
Franchy Hotels PLC 11.85% 1st Mig Deb Stk 2000003 - 1006 (123694)
GKN PLC ADR (1:1) - 99.65
GKN PLC ADR (1:1) - 99.65
GK Great Nordic Ld Srs DK100 - DK8014-6
GR-Integel PLC 1012-% 2nd Cum Prf 11 - 90
(SS694)
GT. Chile Growth Fund Ld Ord 50 01 - 5304. 31¹/₂ General Accident PLC 7²/₂% Cum Into Pri £1 - 91¹/₂ & General Accident PLC 8²/₂% Cum Into Pri £1 - 105¹/₂ General Sectric Co PLC ADR (1:1) - 34¹/₃ Globs & Dundy PLC Out 10p - 95 Gatto Group Ld 6¹/₂% Une Ln Stk 85/85 50p - 49 (8584)

Gupus Group Lei 7³4% Lins Ln 80x 85/95 50p - 49³2 (138084) 2 (133994) ad International PLC 10²1 % Una La Sik Goode Durrent PLC 3.5% Cum Prf 50p • 25 Grampton Hidge PLC 7% Cum Pri E1 - 55 good Metropolitan PLC 5% Cum Pri 21 - 53 fand Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £100¹2 Great Universal Stores PLC ADR (1:1) - \$8.95 Great Universal Stores PLC 6³₈% Red Univ Ln Sit - 154³₂ (143e94) Great Universal Stores PLC 6³₈% Red Univ Ln Sit - 080 (123e64)

As Group PLC 8% Cum Pri £1 - 98 194) Ba Group PLC 11¹2% Deb Stx 2014 -£119 (14Se94 C118 (145864)
Greenis Group PLC 7% Cnv Subord Bds
2003 (Reg) - C108 9 10
Greenis Group PLC 7% Cnv Subord Bds
2003 (Rg) - C1.081 (135864)
Gulmess PLC ADR (8:1) - 223.88 \$ 961, 1,
HSSC Hdgs PLC Cnd 9110 (Hong Kong
Rog) - C7.39 8:89 372162 A42133
477578 b, gree saasoc a 7 1, 1, an 4 SBC Hidgs PLC 11.69% Subord Bds 2002 (Reg) - \$105 8 yweg - 1,103 6 SBC Hidgs PLC 11,69% Subord Bds 2002 (Br 2yer) - 1108½ (138e84) alfax Building Society 3½% Perm Int Sear-ing She 150000 - 284 k.ф ing Sine C50000 - 2844.0
Halitise Building Society 12% Perm int Beering Sine St (Pleg E50000) - C114/2 (145e94)
Hall Grighnesting PLC Ord Sp - 67 70
Hall Grighnesting Hidgalf PLC 5.55% Cum Prt
St - 65 (135e94)
Harribers ErnobendSMoney Mariont Fd LdPg
Red Prt 1p(Managed Fund) - 631.21

is) son PLC Ord 25p - 325 7‡ 30 1 4 I Hensone PLC Ord 5p - 265 ols Water Co Ord Stk - £1700 III Carren Pi C 10% Com Pri Pi - 94 action Group Inc Shs of Com Sty h Kajang Rubber PLC 10o - £16 4Se84) striet Control Services Grp PLCOtd 10p -

Andres Strategic Hidgs Ld Ord \$0.05 (Hong Kong Register) - \$102.398283 .4998 .869691 3.088275 n & Firth Brown PLC 11.05% Cum Per E1 - 90
ohreon Group Cleaners PLC 7.5p (Net) Criv
Cum Red Pri 10p - 130
rimson,lästithey PLC 8% Criv Cum Pri E1 850 (9584)
rimston Group PLC 10% Cum Pri E1 - 90
risssana (135694) Salsay Industries PLC 11¹4,% Cum Pri £1 -110 (135694) Ingslay & Forester Group PLC 3,85% Cum ster Group PLC 3.85% Cum · 45 rome Fund Ld She(IDR to Br) \$0.10 (Cpn 7) - \$4700 (6\$e94) Weemer A.S. Free A Sha NK(12.50 ske Group PLC ADR (1:1) - \$2.54 Securities PLC 9% 1st May Deb Sik 96/

Land Securities PLC 6% % Uns Ln Stk 92/97 - 593¹2 (145e94) LASMO PLC 10¹9% Deb Stk 2009 - 2102.95 (149a94)
Leads & Holback Building Society 13²/₃%
Perm Int Bearing Stre £1000 - £121¹/₄ ¹/₃
Leads Permanent Building Society 13³/₂%
Perm Int Bearing £50000 - £128 ¹/₄
(13Se96)

accusy 6-(John/Partnership PLC 5% Cum Pri Str. - 53 (149694) On International Group PLC ADA (5:1) ondon interneti \$7.1 (123e94) ondon Securitie London Securities PLC Ord 1p - 2% (148e94) London Securities PLC Ord 1p - 2% (148e94) London PLC ANE (1-1) - \$2.05.08.08 Looleen PLC 8% CWC TR Fed Pri \$1 - 122 MEPC PLC 9%% 1st Mtg Deb Stit \$7/2002 -210012 (135684) IEPC PLC 8% Uns Ln Stk 2000/06 - 291 4cCartry & Stone PLC 8.75% Cum Red Pri McCarthy & Stone PLC 7% Cnv Uns Ln Stk. min Oriental International Ld Ord \$0.05 (Hong Kong Reg) - \$H11.348809 Mariks & Spencer PLC ADR (8:1) - 223.8323 (135694) Mariks & Spencer PLC 10% Cum Prf £1 - 90 (125494)

(125e94)
Marston, Thompson & Everahad PLC 10¹4 %
Dab Sit 2012 - 2106¹4 (125e94)
Marchart Retail Group PLC 8¹4 %
Marchart Retail Group PLC 8¹4 % Core Une
Ln Sit 99/04 - 281¹2 (145e94)
Marcary International Inv Trust Ld Ptg Red
Prf 1p (Reserve Fund) - 293-4001 (135e94)
Marsey Docies & Harbour Co 6²5¹5 Red Deb
Sit 84/77 - 236¹2 (128e94)
Marsey Docies & Harbour Co 3²5¹5 Ind Deb
Sit 94/77 - 236¹2 (128e94)
Marsey Docies & Harbour Co 3²5¹5 Ind Deb
Sit - 277¹5 Marriey Docks on Immonia see - 1 Six - 12712 Middland Bank PLC 14% Subord Uns Ln Six 2002/07 - 121201 (145694) More O'Ferrali PLC 10% 2nd Cum Pri St -120 (125694) Marrie Publisher Immoniana PLC 101/4 % 1st 120 (125694) Mount Cheriotte Investments PLC 104,% 1st Mtg Deb Str 2014 - \$1044, (135694) Mucklow(A.S. L)Group PLC 7% Cum Pri \$1 -

NFC PLC 74% Cnv Bds 2007(Fleg) - 2904 NFC PLC 74/6 Chv Bds 2007@Regi - 520% 1/2
National Power PLC ADR (10:1) - 575% National Westminster Benk PLC 9% Non-Curn Stig Pri Sers "A" 21 - 104/2
Newcastle Building Society 125/6 Perm Interest Bearing She \$1000 - 2114 1/4 1/2
North Housing Association Ld Zero Cpn Ln Six 2019 - 775 (26:94)
North of England Building Society 125/6 Perm Int Bearing (20:000) - 2115/2 1/4 6 1/2
Northchart Investments Ld R 0.10 - 00.09 (135/94)
Northern Foods PLC 61/6 Cnv Subord Bds 2008 (Regi - 5292/2
Paolitic Ges & Sischio Co She of Com Stik \$5 - 522.7
Partiand Group PLC Ord 259 - 183 (135/94)
Paterson Zochonis PLC 71/2% Curn Pri 51 - 187 (135/94)
Paterson Zochonis PLC 10% Curn Pri 51 - 116 (135/94)

Petersion Zochonis PLC 10% Curn Pri £1 -116 (13598) PLC 5.25% (Net) Cnv Curn Non-Vig Pri £1 - 97 Peal South East Ld 6½% Uns Ln Stk 87/97 -£32 (123694) Peal South East Ld 10% 1st Mig Deb Stk 2026 - £092 (143694) Perifore Foods PLC 8p(Net) Curn Cnv Red Pri 100 - 88 2025 - 036² (145ab4)
Perkins Foods PLC Sp(Net) Curn Criv Red Pri
100 - 88
Petrolina S.A. Ord Sha NPV (Br in Denom 1,5
å 16] - 6F10110 40 77
Pitterds PLC 91₂% Curn Pri £1 - 85 6
Plantation & General Inns PLC Warranto to
sub for Ord - 1 (145ab4)
Plantation & General Inns PLC 91₂% Curn
Red Pri £1 - 90 (145ab4)
Plantation & General Inns PLC 91₂% Curn
Red Pri £1 - 90 (145ab4)
Plantation & General Inns PLC 9% Criv Lina
Ln Sk: 1999 - 190 3
Plantations General Inns PLC 9% Criv Lina
Ln Sk: 1999 - 190 3
Plantations General Inns PLC 9% Criv Lina
Ln Sk: 1999 - 190 3
Plantations General Inns PLC 9% Criv Lina
Ln Sk: 1999 - 190 (145ab4)
Plantations Group PLC 8.75% Criv Pri 91/
2001 10p - 110 (135ab4)
Poliphard (C.P.) Co Ld Sha \$0.05 (Hong
Kong Registered) - 6H2.557 (125ab4)
Poliphard (C.P.) Co Ld Sha \$0.05 (Hong
Kong Sha 4 95ab4)
Poliphard (C.P.) Co Ld Sha \$0.05 (135ab4)
Poliphard PLC 8.8% Curn Red Pri £1 - 88 90
(135ab4)
Quarto Group Inc 8.75p(Net) CrivCumRedSha
« 161 145 Chi Sab4

(133494)
Quarto Group Inc 8.75pPlat) CmcCumRedShi of Pid Sk \$0.10 - 145 (145494) Quarto Group PLC 10% Cum Pri Cl - 112 (125494) FiPH Ld 44;% Una Ln Sk 2004/09 - C35 (125494) (125694)
RPH Ld 9% Una Ln Stk 99/2004 - £25¹2
RTZ Corporation PLC 3.325% 'A' Cum Pri £1 - 49¹2 50 (145694)
Racal Becaronics PLC ADR (2-1) - \$7.58 (12Se94) Renk Organisation PLC ADR (2:1) - \$12.77 .79 9 - 312.1 Parasones PLC 3.85% Cum Pri 21 - 43 (125694)

Remormen PLC 3.85% Cum Pri 21 - 43 (12589)
Rendicut International PLC 51,1% 2nd Cum Pri 21 - 54 (12589)
Rechtit & Celman PLC 5% Cum Pri 21 - 54 (Red International PLC 4.9% [Frilly 7%] Cum Pri 21 - 73 (125894)
Regis Property Holgs PLC 81,1% Gird Uns Lin Stk 1997 - 193 (145894)
Retail Corporation PLC 4.55% (Frilly 61/2%)
Cum 3rd Pri 21 - 93
Repaire PLC 112/2% Cum Pri 21 - 117 (SS694)
Royal Barrik of Scotland Group PLC 51/2% Cum Pri 21 - 60
Royal Barrik of Scotland Group PLC 11% Cum Pri 21 - 110 (125844)
Royal Barrik of Scotland Group PLC 11% Cum Pri 21 - 110 (125844)
Royal Insurance Holdings PLC 71/4% Criv Subord Rds 2007 (Br 2 Var) - 2108
Rublicon Group PLC 6% Cum Pri 500 - 27 (125894)
Ruppl Group PLC 6% Uns Lin Stk 93/68 - 106 (145894)
Rasself/Hessander PLC 5.75% Cum Criv Red De 4 - 10 1195846 34) under) PLC 5.75% Cum Crw Red Put - 100 (138-64) Seatchi & Sastohi Co PLC ADR (3:1) - \$7% (135e94) Sainebury(J) PLC ADR (I:1) - \$7.1 (135e94) Sainebury(J) PLC 896 Intil Une Ln 8th - £81 (145e94)

Searchy Hotel FLC "B" Ord 5p - 129 in Hidgs PLC 7.25p (Net) Cnv Cur Red Pri 20p - 73 (12Se94) cantronic Hidgs PLC 5.76% Cn. Cum Red (S.) & Son Ld 6% Cum Red Prit2000 or etter(C1 - 57 (129e94) Scholl PLC 8%% Cum Red Pri 2001/05 21 -PLC 54% Criv Cum Red Prf 2006/11 side PLC 7% Crw Cum Pri 233 (125424) PLC 4.9% (Fmly 7%) "A" Cum Pri E1 -PLC 8.75% (Pmly 12¹2%) Cum Prf £1

Sees PLC 7/4% Uns Ln Stk 92/67 - 696 (13Se94) Settis PLC 74/% Urre Lil on now ...
(13564)
Severn River Crossing PLC 6% Index-Linked
Dab Sit 2017 (8.344%) C 1164,
Shell Transport&TredingCo PLC 52/% 1st
PrifCurri£T - 60
Shoprite Thenano (IN) PLC 7.875p(Net) Curr
Red Pri Sha 2009 - 44 12 5
Signet Group PLC ADR (21) - 51.59
Signet Group PLC ADR (21) - 51.59 Suprion Building Society 129 % Perm Int Bearing Site \$1000 - \$1189 79; Initih New Court PLC 12% Subord Una Ln Set 2001 - \$103

Smith (M/H) Group PLC 5¹g% Red Uns Ln Stk - 553¹g (125e84) Smith (Gne Beacham PLC ADR (6:1) - \$32.7 miths inclusives PLC 1114% Deb Sik 95/ 2000 - 2101 2000 - 2101 South Staffordsrifer Water PLC 4% Perm Deb Stk - 241% (125e94) Sparish Smeller Companies Fund Wis to Sub for She 32 - 51.1 (85e94) Stag Furniture Hidge PLC 11% Curn Prf 21 -on siscasia 98 (BS694) Standard Chartered PLC 1273 % Subord Uns Ln Stk 2002/07 - £1184, 4 Swine(John) & Sons Ld 6.3% Cum Pri £1 - 74

skers PLC 11.8% 1st Mig Data Stk 2014 -£108 (13Secul) E108 (135899) Table & Lyle PLC ADR (4:1) - \$27% (125694) Table & Lyle PLC 6½%(4.55% plus 1834 cred-1802m Pri E1 - 68 Tata & Lyle PLC 8% Uns Ln Sk 2003/06 -29614 (148e94) Tissies PLD on Uns Ln Sit 2003/08 - 2564, (148694)
Tesco PLC ADR (1:1) - 53.9 (125694)
Tesco PLC 4% Uns Deep Diec Ln Sit 2006 - 5514, (145694)
ThORN BAR PLC ADR (1:1) - \$1542\$
Traininger House PLC 5.575% Cum Pri £1 - 75 (135694)

75 (133e94) Tratalger House PLC 7% Uns Deb Six &1 -68 (143e94) 68 (145694) eshiger House PLC 8% Uns Ln 8% 94/99 • 289 (125694) Tradiger House PLC 9¹2% Une Ln Str 2000/ 05 - 295¹2 (139894) Tradiger House PLC 10¹4% Une Ln Str 2001/08 - 197 8 (148694) tlantic Holdings PLC B 6% Cnv Pri 21

- 93 4
Transport Development Group PLC 8¹4%
Une Ln Stk 93/96 - £95 (148-94)
Unigate PLC ADR (1:1) - \$52/6 (128-94)
Unigate PLC ADR (4:1) - \$70.45¢
Unilever PLC ADR (4:1) - \$70.45¢ Union International Co PLC 8% Cum Pri Stk £1 - 38 (145654) Union International Co PLC 7% Cum Pri Stk £1 - 40 (145454) Utility Cable PLC Warrants to sub for Ord 18 (133694)
Value 8 Income Trust PLC Warrants 89/94 to sub for Ord - 50 (135694)
Value Group PLC 7% Clum Prf £1 - 70 (125694)

Group PLC ADR(10:1) - \$295₈ .999 30 Wagon Industrial Hidgs PLC 7.25p (Net) Crv Pig Pri 10p - 1456 Walbur(Thomas) PLC Ord 5p - 32 (128e84) Warburg (S.G.) Group PLC 75g% Cum Pri 21 - 88 Warburg (S.G.) Group PLC Criv Did 25p -460 (98-64) Watmoughalf lidget PLC 81, % Cum Red Pri 2006 21 - 100 (ISS694) Welcome PLC ADR (1:1) - \$10.51@ Wembley PLC Sp(NegCnv Cum Red Whitbread PLC 6% 3rd Cum Pri Stk E1 -651₂ (13Se94) ed PLC 412% Red Deb Sik 99/2004

ead PLC 714% Uns La Stk 95/99 - 1291 Wilderson & Riddesty-Adge) Ld 5% Cum Pri Sit St(Tax Free To 30p) - 75 (128694) Millers Hidge PLC 104,% Cum Pri S1 - 120 (128695) room Group PLC ADR (5:1) -\$12.385 (135e54) Irenham & East Denb Water Co 4.9% PtPg

oriestaire-Tyrne Tees TV Hidgs PLC Wite to aub for Ord - 204 5 Zambia Consolidated Copper Mines Ld°B° Ord K10 - 215 (139e94) Alience Trust PLC 4% Pri Sik (Curri) - £40 Alience Trust PLC 44% Pri Sik (Curri) -£42½

£22½
Alliance Trust PLC 5% Prf Six - £50
Alliance Trust PLC 4½% Deb Six Red after
15/5/56 - 206 (12846)
American Trust PLC 3½% (Prefy 5%) Cam
Prf Six - £51 (\$6646)
Ballie (Billiand Japan Trust PLC Was to Sub taille Gifford Shin Nippon PLC Warrants to sub for Ord - 122 (125e94) eniosre bresstment Trust PLC 10¹2 % Deb Six 2016 - £109 & (13Se94) ring Trust PLC Ord 25p - 460 73 ment Trust PLC Was to Subscribe for 1 inc 8 1 Cap - 68 (148694) Instrury Smeller Co's Trust PLC Zero Dw Pri 28p - 182

Heming Claverhouse inv Trust PLC 11% Deb Six 2008 - £110,2 (135e94) Heming Mercantile Inv Trust PLC 3.5% Cum Prf Six £1 - 61 (65e94) Per Six 21 - 51 (95694)
Foreign & Coloridat Eurotrust PLC 51-1% Cre
Une Ln 5kt 1986 - 230 (95894)
Foreign & Coloridat Eurotrust PLC 3.5% (Finly
5%) Cum Prt Six 21 - 50
Gattrucre British Inc. & Grith Tax PLCZero Dividend Prf 10p - 1021₂ 3 143894)
Gerthucre Shared Equity Trust PLC Geered
Ord Inc. 10p - 104 1₂ 5 6
Govett Shrategic Inv Trust PLC 101₂% Deb
Six 2016 - 2108₁% (135894)
Govett Shrategic Inv Trust PLC 111₂% Deb
Six 2014 - 2117₁% (135894)
HTR Japanese Streater Co's Trust PLCOrd
25p - 1111₂ 1₂

11112 2 ra Capital Trust PLC 54,% Cum Pri Lazard Select investment Trust Ld Ptg Red Pri 0.1p U.K. Active Fund - 214.43 14.47 passeng Lezard Select Investment Trust Ld Pig Red Pri 0.1p U.K. Liquid Assets Fund - 1:10\$ Lazard Select Investment Trust Ld Pig Red Pri 0.1p Japan Index Fund - 853.6 7.8 100-0.0

up - rol (1-cosy) MorganGranfaELatinAmerCo's Tat PLCWts to aub to Ord - 81 ½ ½ 3 Murray International Trust PLC 3.8% Cum Pri ct - 57 Indust Improv Trust PLC Ord £1 lgathern Indust Improv Trust PLC Uro 11 -646 (1236) have been three street Trust PLCSers "A" Warrants to sub for Ord - 28 [14364] Sostish Eastern Inv Trust PLC 42% Curn Pri Sik - 246 rm law Trust PLC 8-k% Deb Stk | Cootish Eastern any Trust PLC 94 % Deb S | 2020 - 1104 (128-94) | Cootish Eastern Inv Trust PLC 12³/₂% Deb | Six 2012 - 5124 (138-94) | Soutish Investment Trust PLC 3.5% Cum | Pkd Six - 552 (128-94)

Pid Sik - 192 (125a64) Scottish Investment Trust PLC 3.85% Cum Pid Sik - 257 (83694) Scottish Investment Trust PLC 4.55% Cum "A" Pri Sik - 258 (98684) Scottish Netional Trust PLC 10% Deb Sik 2011 - 210212 (138694)

Second Aliance Trust PLC 412% Cum Pri 8tk - 947 Shires High-Yielding Smitr Co's TelWis to Sub for Ord - 72 (14Se94) Sphere Investment Trust PLC Revised War-Sphere investment Trust PLC removements to sub for Ord - 5½% IT Cay of London Trust PLC 10½% Deb Stk 2020 - 5195% (193694) IT 6 meller Companies inv Trust PLC 10½% Deb Stk 2016 - 2108% (193694) Temple Bar Investment Trust PLC 7% Cum Pri Stk C - 71 (83694) Wigmore Property Investment Tct PLCWs to Viton investment Co PLC 8½% Deb Stk 3016 - 992½

Miscellaneous Warrants Australiz & New Zeeland Banking Sp Ld Wis-Ring to Coles Myer Ord 26/9/94 -\$A2.189240

USM Appendix Eldos PLC Ord 10p - 380 FBO Holdings PLC Ord In20.50 - £1.6 84) lew PLC Ord 25p - 418 (149e94) Starting Publishing Group PLC 6% Cnv Cum Red Pri 2000 £1 - 179¹2 20 (85e84) Total Systems PLC Ord 5p - 28 32 (149a94) Initial Energy PLC Wis to sub for Ord - 3

Rule 4.2(a) AMCO Corp Inc Ord 10p - £0.65‡ (145e94) Advanced Addis Systems FLC Ord £1 - £1.5 (150e) vm Street Brewery Co Ld Ord C1 - 23.65 (13Se94) nge Ld Ord 10p - 20.33 (129e84) age PLC Var Rate Crev Cum Red Pri ASCOT Hadge PLC Var Peas City Cum Hald Pri 10p - 10.03 (14Se94) Aston Vila Football Club PLC Ord 25(1 vota) Azuro Group PLC Ord 10p - 90.225 0.23 (145694) Bell Court Fund Menagement PLC Ord 10p -\$1.17
Bloom Inclushed Group PLC Ord 1p - \$0.08
Bownees Leisure PLC Ord \$1 - \$1.3
Brancola Holdings PLC Ord \$1 - \$1.3
Brancola Holdings PLC Ord \$9 - \$0.45 0.45
0.455 0.47 012
Brockbank Group PLC Ord 10p - \$2 (*4\$a84)
Early Milling Inclustrian PLC 712% Una Ln
Six 07/05 - \$75 \$85894)
Conventum PLC Ord 10 - \$0.1 Sevenham PLC Ord 1p • 10.1 Settle Football & Athletic Co Ld Ord £1 • E65¹2 (123e84) 54¹2 85 65¹2 75 Celtic Footbal & Ath Conjuster Group PLC A Red Prf St -20,28 0,29 (135e84) Conjuster Trust PLC Ord 25p - 20,22 Cooper Clarke Group PLC Ord 50p - 57

Channel Intends Coms (TV) Ld Ord 5p - 100-52 (SSe94)
Sundry Gardens PLC Ond 25p - 20.67
Souther John Edward) Hidge 5½% Curn Pd
E1 - 20.65 (SSe94)
J.S.S. Management PLC Ond 10p - E3‡
Joht Valley Light Referaly Ld Ond £1 - £2¾
(145-694) (1999) Internation Hidgs PLC Ord 10p - £4.9 (138e94) In Gruchy (Abraham) Co Ltd Ord 20p - £1.2 (138e94) (1-33694)
Douglas Gas PLC Ord 25p - \$1.04 (85664)
Eastbourne Water Co 8.875% 1st Curn Red
Pri - \$1.015 (135664) Edenfield PLC Ord 1p - -------Fartake Ld Ord E1 - £1.17¢ Corporation PLC Ord 5p d PLC Ord 1p - 20.45 1.04 (BSe94) EXCEST Broadcas Co., 1997. 199 urlang Homes Group PLC Ord 10p - £1.05 (145e94) loktings PLC Ord 1p - 90.06 Gander Holdings PLU Uru up - - - - (12589)
Graduatis Appointments PLC Ord 1p - 50.17
Graystone PLC 18,256/Not) Non-Vity Curu
Crv Pt 25p - 50°2 (128899)
Guernsey Ges Light Co Ld Ord 10p - 50,256/Guernsey Press Co Ld Ord 10p - 52 (12899)

East Matenberg (CL) Japan Enter-

TES Group PLC Ord E1 - 2012 Information Publishing PLC Ord 1p - 20.08

os Fund Managera(C Fund - \$2,646616 () noke Group PLC Ord 10p - \$0.51625 12.00000 Hydro Sambourne PLC Ord 21 - 21.05 (125.000) (125.0000) PLC Ord 10p - 23.4 (125.000)

Jennings Bros Ld Ord 25p - £1.85 1.9 Jennings Bros Lo 6¹2% Cum Pri \$1 - 20.65 (\$3694) Just Group PLC Ont 1p - \$3,035 0.04 Neimeant Benson(let) Fund Main KB Gilt Fund • £14.189407 (135694) Retrained Berson(Int) Fund Main Int Equity Gwth Inc - C1787 (125694) have Enterprises PLC Ond 5p - £1.65 Lawrence PLC Ord 10p - \$1.64 (95e04) Lawne Group PLC Ord \$1 - \$27 (14Se94) Le Riche's Stores Ld Ord 11 - 12-4 Leisuretime trus PLC Ord 5p - 100.0

London Fiduciary Trust PLC Ond 1p -00,0125 0.01375 0.015 Manchester City Football Club PLC Ord E1 -E14 (145:694) Manx & Ovorseas PLC Ord Sp - \$0.07 Marine & Mercantile Securities PLC Ord In20.20 - 62 ettik International Group PLC Ord 1p -

N Resecourse PLC Ord \$100 - \$2400 North East Water PLC Ord E1 - E11 North West Exploration PLC Ord 1p - 2): Constitution PLC Ord 5p - \$3.4 Pacific Media PLC Ord 1p - 2¹2 ¹2 ¹2 Pan Andean Resources PLC Ord 1p -£0.045¢ orpetual(Jersey) Offshore Emerging Co's -56,922502 (14Se94)

erpetust Jersey) Offshore For Bustom Greth Fd - C3.442739 (135e94) Query Properties Ld 21 - 00.825 (95e94) Rangers Football Club PLC Ord 10p - 20.85 Rangers Football Club PLC C Deb Stk €1500 - £1550 (125e94) Septen Hawk Group PLC Ord £1 - £2.7 Scottish Rugby Union 'B' Debs £2200 -£2300 (12Se94) Select industries PLC New Ord 712p (5p Pd) - £0.035

Severn Valley Relively Nidge PLC Ord £1 -£0.7 (14Se94) Shepherd Neame Ld "A" Ord £1 - £6% (13Se94) Sun Oil Britain Ld Oil Royalty Stk Units 1p -20.7 (14Se94) s(Dame)& Co PLC Ord 25p - 12.6 Titaghur PLC Ord 5p - 20.06 (95e94) recker Network PLC Ord £1 - £134 (14Se94) LIAPT-Indobnik PLC Ord 25p - 28.28 Unicom Irans PLC Ord 25p - 20.6 (13) Vista Entertainmenta PLC Ord 5p - 20.0125

tatabo Ld "A" Non.V Ord 25p - £17 lg ф

RULE 2.1 (a)(v) Bargains marked in securities (not falling within Rule 2.1 (a)(§)) where the pricipal market is outside the

Aust. Foundation inv. AS2.1467 (14.8) Beach Petroleum A\$0.129 (14.9) Kuām Malaysia 88.0 (12.9) Net. Bectronics Hidgs. Hi\$0.834 (14.9) Portman Maing 0.85 (12.9)

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We helped Zoe beat a brain tumour.

Now we need your help to continue the fight for thousands of others.

When Zoe was just 17 months old, her parents received the dreadful news that their little girl had a malignant brain tumour and needed radiotherapy. Zoe won her fight and lived quite happily until she was 12.

Unfortunately that was when the cancer returned. The situation was made even more serious because Zoe had already received the maximum dosage of radiotherapy when treated as a baby. Again, Zoe beat the disease thanks to a pioneering new treatment supported by the Imperial Cancer Research Fund.

Today the cure rate for childhood cancers is over 50%. Very encouraging when you realise that just 25 years ago, around 90% of children with cancer died.

Yet despite the importance of our work, we rely almost entirely on voluntary contributions. Right now our

doctors and scientists are fighting over 200 forms of cancer. Thousands of children like Zoe are relying on their help. And yours. Please make a donation today

and help thousands more people win the fight against cancer.

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Over 90p in every £1 donated goes directly into our vital research I would like to make a donation of £
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Imperial Cancer Research Fund

LONDON STOCK EXCHANGE

MARKET REPORT

data prompt setback in bonds and shares

By Terry Byland, **UK Stock Market Editor**

A heavy setback in global bond markets, prompted by unexpectedly strong data on the US economy, sparked off another slide in the London equity market yesterday afternoon. Towards the close of business, when UK government bonds were more than 11/2 points down and stock index futures at a substantial discount to the FT-SE 100 Index.

share prices virtually collapsed. The FT-SE 100 index ended the day at 3,065.1, a net 47.6 down in its largest daily fall since mid-June. The FT-SE Mid 250 Index, less closely linked to futures selling, held its loss to 32.8 for a final reading of 3 816 1

Market strategists were significantly less pessimistic than the fall

•

in the Footsie suggested, and markets. pointed out that liquidity is notoriously thin on Friday afternoons. Mr Ian Harnett of Strauss Turnbull described the outcome of the equity session as "a great buying opportu-

The more serious blows fell on the bond markets, where UK gilts began to fall sharply following the announcement at mid-morning of an August Public Sector Borrowing Requirement well outside market estimates.

Both short and long-dated gilts were already sharply off when US bonds began to shy away as New York awaited two key sets of eco-nomic data. News that in August, US capacity utilisation had jumped to 84.7 per cent and industrial production had gained 0.7 per cent brought a wide-ranging fall in bond

The slide in UK gilts quickly gathered pace, with some analysts warning that the Federal Reserve might raise rates very soon. Concern focused around prospects for the auction of a new UK gilt on Wednesday, the Bank of England confirming market expectations by announcing yesterday that it would be a conventional bond maturing in the 2004-2006 range. Some pessi-mists whispered that the Bank had

rates this week. The FT-SE 100 Index has fallen by nearly 2.4 per cent this week as the first rise in base rates for nearly five years has left the UK bond markets still vulnerable to shocks from overseas. Weakness in German bonds yesterday was seen as a further threat to gilt-edged securities.

argued for a full point rise in base

Early trading saw equities, as expected, driven by pressures from the expiry of the September contract in the stock index futures market - although this passed off without incident. The Footsie was 20 points up at first, and then 7 points down as the futures-related blue chips swayed with the September contract expiry. But these technical factors in equities were quickly for-

gotten when bond prices began to

Few sectors were spared in the general shake-out. Dollar-orientated shares took further presure when the US currency weakened. The blue chip oil shares no longer pro-vided the positive lead of the past few sessions. Retail, consumer and store shares took further punishment from fears that the interest rate cycle was about to turn

upwards much sooner than experted. Banks gave back a few early gains as the rout spread across the market.

Many analysts remained bullish, maintaining that the US data confirmed that the economy is recovering strongly. By this yardstick, the falls in bond markets were to be expected, but equities should benefit over the medium term. Bond/ equity market ratings are believed to be less stretched in London than in the US, and the spread between London and New York equity markets is also regarded as favourable to the UK.

However, little genuine and lasting upturn in UK equities is thought likely until the gilt-edged market can at least stabilise and then make some recovery from its



Key Indicators		
indices and ratios		ļ
FT-SE Mid 250	3616.1	-32.8
FT-SE-A 350	1548.5	-21.7
FT-SE-A All-Share	1539.71	-0.77
FT-SE-A All-Share yield	3.90	(3.85)
FT Ordinary index	2388.1	-38.1
FT-SE-A Non Fins p/e	18.98	(19.23)
FT-SE 100 Fut Sep	3108.5	7.5
10 yr Gilt yield	9.08	(88.8)
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Equity Shares Traded 200

	FT-SE 100 Index
В	Closing index for Sep 16 3065.1
7	Change over week74.2
7	Sep 153112.7
)	Sep 143079.8
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TRADING VOLUME Vol. Closing Day's 000e price change . 2,800 4,500 1504 160 2,100 1,100 1,100 1,100 1,200 1,200 1,200 1,200 1,200 1,200 1,200 1,200 1,200 1,200 1,000 1 957 7500 1,500 1,500 1,500 2,700 1,500 2,700 1,500 2,700 1,5 3,100 946 1,200 1,200 1,200 1,200 1,200 2,200 2,200 1, 145 737 734 634 8103

EQUITY FUTURES AND OPTIONS TRADING plunged to a discount in heavy volume. December closed at

The expiry of the September contract on the FT-SE 100 Index proved to be a damp squib yesterday morning and was quickly forgotten as the pressure of the market setback fell on the new December contract. September expired comfortably at 3,108.5 but the

3,058 a 7 point discount the cash market with the new fair value premium set around 13 points. Some 22,805 contracts were traded, taking in late dealings. Activity in trade options eased to 51,376

■ F1-9	E 100 INDEX	FUTURES (LIFFE) £25	per full inc	dex point		(APT
	Open	Sett price	Change	High	Low	Est. vol	Open ist,
Sep	3129.0	3108.5	-7.5	3130.0	3099.0	7252	11731
Dec	9133.0	3058.0	-67.0	3136.0	3058.0	22846	48980
Mar	3104.0	3081,0	-70.0	3111.0	3083.0	220	675
■ FT-SI	E MED 250 IN	DEX FUTUR	ES (LIFTE	210 per f	uil index po	dest	
Sep	3655.0	3634.0	-11.0	3855.0	3633.0	882	2631
Dec	3678.0	3630.0	-36.0	3678.0	3660.0	883	2530
III FT-SE	MED 250 IN	DEX FUTUR	es (OMILX	£10 per \$	uð indek po	int	_
Dec		3633.0	-				636
All open i	nterest figures .	are for previou	s day. † Đ	act Adplice	ahown.		

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io:	18712	35	150	47%	116	625	87	82	64	109	43	1391	36	176	181	209
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FT-SE-A INDICES	- LEADERS & LA	GGARDS
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Of Exploration & Prod +11.10	Food Menufacturers4.44	FT-SE 10010.35
Printing, Paper & Poly +960		Water10.57
Engineering, Vehicles +8.89		(1875es11,25
Retallers, Food+6.61	Heath Care	Transport125/
Extracting industries +577		Gas Distribution12.84
Mineral Extraction +5.55	Non-Passocials	Life Assurance12.9
OL Interceind+5.41	Streport Services8.98	Distributors13-25
Chemicals +4.73	Services	Househeld Goods14.7
Engineering +2.07		Retallars, Genetal14.70
FT-SE SmartCap ex 17 +1.47		Building Materials15.11
Dectricity+0.41		Building & Construction16.03
FT-SE SanatCao +0.37		Francisk
Leisure & Hotels0.99		Property18.4
Broseries2.73		Talanzamunications18.70
FT Cold Mines lades3.16		Banks19.19
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T - SE Ac	tuaries	Shar	e in	dices									·				· · · · · ·	The L	K Se	nes
		Sep 16	Day's chec's	Sep 15	Sep 14	Sep 13	Year ago		Earn. yk/%	P/E REDO	제 =q pd	. Yotal Return	<u> </u>	19 lgh	04 — L0s	-	 Hq		equilation - Los	
E 100 E AMA 250 E MAG 250 gz law Tpai E-A 350 E SamalCap E SamalCap un law Yo E-A ALL-SAARE		3065.1 3678.1 3614.2 1548.5 1675.10 1344.27 1539.71	-1,4 -0,3 -0,2	3648.9 3646.3 1570.2 1879.69 1848.42	1555.5 1879.72 1848.97	3679.1 1576.6 1891.49 1859.54	3425.7 3441.3 1506.6 1766.72	3.58 3.96 3.05 3.23	464	20.60 19.15 17.62 30.52 28.14	92.58 95.75 41.79 39.60 40.62	1340.05 1194.55 1451,29	4152.8 4160.7 1772.3 2094.98 2090.72	3/2 19/1 2/2 4/2 4/2	3363.4 3362.4	246 276 278 245 87 127 246	3520.3 4152.8 4190.7 1778.3 2094.98 2084.72 1784.11	26294 36294 197494 26294 46294 46294 26294	1363,79	21/1/8 21/1/8 14/1/8 31/12/8

	200 la c		3ch (3	24 14 A	344 14	- 	7-2-7-	,=-	-					=	_		_		
16 MENERAL EXTRACTION(18)	2705.93	-7.4	2745.59	2732.66	2758.56	2252.10	3.33	5.11	24,68	54.77	1078.19	2902.81	59	2038.95	31/3	2802.01	5894	998,20	
12 Expective industries(4)	3930.51		3950.39			3186.00		5.12	24.48	54.24	1072.81	4107.55	2/2	3656.88	127	4107.55	2/2/94	1808.88	31/12/85
	2651.08	_1.0	7605.35	2084 52	2703.44					59.99	1079.82	2762.46	5/9	2349.96	30/3	2762.46	5/9/94	952.30	20/2/86
15 Oil, integrated(3)	1959.28	-1.5				1842.90		±	- ·	20.96		2098,43	27/4	1754.40	31/3	3944,10	8/8/90	550.30	2 9 /7/86
16. Oli Exploration & Prod(11)	1303.70	-1.3					_==	<u>:</u>								2232.8B	2/2/94	986.10	14/1/86
20 SEN MANUFACTURERS(285)	1925.36	-1.1		1932.57		1876.90			24.51		978.07	2232.68	2/2	1865.05	24/8			538.30	9/9/92
21 Busching & Construction(32)	1098.19	-1.8			1130.34		3.35			23.86	855.42	1564.10	8/2	1095.19	16/9	2125.80	16/7/87		9/9/92
22 Building Matte & Marchs(31)	1852.49	-2.1	1892.68	1877.32	1908.54	1804.60				47.58		Z363 22	24/1	1790.10	21/5	2393.22	24/1/94	954.80	
23 Chemicals(22)	2437.85	-0.9	2459.02	2438.33	2448.31	2216.70				74.17		2588.42	a/B	2283.62	28/5	255.0	8894	979.50	14/1/86
24 Diversified industrials(16)	1854.57	-0.9	1871.05	1850.58	1880.75	1951.90	4.94	5.02	23.87	67.10	945.72	2231.57	2/2	1850.58	149	2231.57	2/2/94	96 4.8 8	21/1/88
25 Sectronic & Floot Equip(34)	1936.24	-0.4	1944.09	1827.87	1952.03	2099.70	3.89	6.51	18.31	- 55.36	945. k g	2263.38	42	1838.48	8/7	2263.38	4/2/94	986.80	29/9/96
	1829.76	-0.5	1844.18	1837.52	1860.90	1829.90	3.11	4.88	24.24	41.95	1968.71	2911.17	2/2	17,36.95	246	2011.17	2/2/94	962.80	
26 Engianering(70)	2274.19				2319.41		4.57	2.54	58.18	70.37	1101.49	251 6.9 5	848	2095.34	28/6		B/8/94	995.80	14/1/88
27 Engineering, Valides(12)	2854.55		2882.30		2918.62		3.00	5.20	22.53	63.21	1120.42	3845.51	18/3	2521,19	4/i	35/E.61	18/3/34	973.30	14/1/88
28 Pringing, Paper & Pokg(29)	1647.30		1695.18		1698.72			6.65	18.41	40.48	927.79	2024.96	4/2	1810.52	8/7	2325.DB	2/10/87	960.66	249/90
29 Textiles & Apparol(20)	1077.30											3648.75	24/1	2694.94	24/8	2000 00	22/12/92	957.50	14/1/86
30 CONSUMER GOODS(97)	2723.52	-1.6	2789.14	2741.82	2778.43	2774.60	4.35	7.42		86.34	934.18			2071.07	246	2684.52		987.08	14/1/86
31 Breweries(17)	2231.54				2271.41					81.03		2464,52	19/1	2636.45	24/8	3457.00	11/5/92	967.50	14/1/86
32 Sokes, Wines & Cide S[10]	3903.95	-1.6	2849,39	2812.15	2666.44			6.86		89.92	939.95		24/1	2039.25	246	2600.64	19/1/94	967.50	14/1/88
33 Food Manufacturers(23)	2350.43	-0.4	2361.00	2332.35	2368.77	2319.70	4.13	7.74		71.13		2809.64	19/1			2894.14	18/2/94	927.10	
34 Household Goods(13)	2441.59	-0.7	2459.19	2459.28	2471.77			7.43		54,52	871.17	2894.14	18/2	2342.74	27/6		28/9/87	972.80	21/1/86
36 Health Care(21)	1663.59	-0.4	1669.90	1667.79						35.80	961.68	1908.13	1971	1572.17	677	2017.40		953.70	
37 Physicacoulicals(12)	2975.47	-2.6	3055.42		3058.63			7.22		78.88	937.22		26/8	2641.70	1/6	4188.90			9/1/86
38 10pacco(1)	3464.88	-1.9	3531.81	3481,47	3544.39	3997.50	6.25	9,92	10 82	217,97	790 32	4718.85		3120.74	246	4/38.83	29/12/93	992.00	3/ (/50
						1893.00	3.16	6.20	19.42	42.78	948.99	2207.77	19/1	1854.19	27/6	2207.77	19/1/94	944.90	29/1/88
40 SERVICES(210)	1933.85		1956.34	2555.47						64.58	885.85	3319.33	2/2	2525.47	149	2218 33	2/2/94	968.50	21/1/88
41 Distroutors(31)	2563.96		2568.02			1935.80				48.93	1012.93	2360.62	17/2	1994.16	6/7	2390.62	17/2/94	975.40	21/1/86
42 Leisure & HOtels(24)	2057.58	-0.9	20/5.46	3053.57				5.36		84.57	978.24		17/2		27/6	2369.11	17/2/84	975.20	9/1/86
43 Model(3/8)	2910.61	~1.3			2892.07					45.10	1095.43		19/1		25/4	2238.20	26/1/93	\$17.48	21/1/86
44 Retailers, Foods169	1838.27		1869.29			1810.40		6.58		35.65	B70.52	1910.67	471	1618.15	27A		29/12/93	870.18	9/12/88
45 Partallers, General(45)	1634.00		1661.28			1658.80				26.78	946.04	1886.43	2/2	1478.20	28/6	1868.43	2/2/94	939.00	1/2/81
48 Support Services(40)	1581,27	-0.1	1562.78	1558.41					21.94		890.66	2805.98		2164.50	24/6	286.98	3/2/94	980.00	14/1/86
49 Transport(16)	2283 82	-1.2	2310.41	2312.66	2321.55	2247.70		5.30	80.001			1389.58	10/2		21/4	2458.30	18/7/87	963.10	14/1/86
51 Other Services & Business(B)	1296.03		1295.56	1288 60	1302.62	1298.00	3,91	217	- Former	21,40	1100.00	130730	102						
	2379.84	~1.1	2406.00	2377 52	2414.93	2308.30	4.42	7.90	15.41	73.AZ	916.71	2762.33	27		246	2762.33	2/2/94	802.58	3/19/86
EO UTILITIES(DE)			2515.09					9.81	12.16	83,46	1042.22	2754.74	30/6	202£12	246	2754.74	30/8/94	995.30	7/1/91
62 Electricity(17)	2508.16		1989.47		1951.80		6.D6	ŧ	İ	86.79	903.58	2359,77	7/1	1684.20	24/5		15/12/83	994.90	9/12/98
64 Cas Distribution(2)	1977.17	-0.6	2002.32					8.05	15.12	50.22	833,67	2450.42	2/2	1884.86	1/6	2461,26	29/12/93	802.50	3/10/66
66 Telecommunications(4)	1954.95	2.0	1002.30	1900.11	1854.60			12.76	8.55	69,35	930.05	2126.79	3/2	1588.71	27/8	2125.79	3/2/94	924.70	1/5/90
B Water 13	1860.51													4000.00	245		2/2/94	200 AG	13/12/74
69 MON-FINANCIALS(632)	1864.40	-1.3	1685,79	1671.24	1592.47	1612.32	3,87	6.33	18.98	45.12	1172.51	1876.36	2/2	198289	246	1870.36	8437	03.43	
Ed Mill Hanning Start								8.72	13.27	80,73	856.59	2737,13	4/2	203L74	24/6	2737.13	4/2/94	972.70	23/1/88
70 FRUNCIALS(100)	2161.29	-1.6	2195.53	21/4.59					11.87		829.99	2601.55	4/2	2615.77	LI7	3601.55	4/2/94	950.60	23/1/66
71 Banks(10)	2795.29	-20	7851.39	2813.44	2861.89	4 170 50				48.55	833.94	1583.51	24/1	1153.82	246		29/12/88	879.90	25/8/92
73 brastance(17)	1220.52	-1.7	1241.54	1231.62	1257.85	143030				85.34	899.93	2921.37	19/1	2150.61	1/6	2921.37	19/1/94	967.79	23/1/86
74 Lity Assurance(6)	2368.35		2400.51		2415.75			7.68		82.29	R32.35	2781.29	2/2	2638.56	1/7	3751.29	2/2/94	982.80	27/1/86
to the series and the series	3093,46	+1.0	3062.38	3038.44	3079.16	3044.30	333	10.67	10.91			2279.35	42		47	2279.35	4294	855.30	1/10/90
75 Merchant Banks(6)	1944.29	-0.8	1959.57	1957.45	1973.80	1743.00		8,07		52.77	1036.89							71B.48	16/9/92
77 Other Pinancial(24)	1463.16	-1.1		1471,97	1488.75	1602.50	4.12	4.27	29.59	39.60	835.83	1885.58	4/2	1453.40	27/6	2132.40	5/9/89	710/80	10/3/52
79 Property(41)							3 15	1.85	54.77	50.05	950.28	3184.31	20	2614.58	27.5	3184.31	2/2/94	977-20	14/1/86
BO DRICSTMENT TRUSTS(123)	2629.06				2863.93			1.00											
	45700 31		1500 60	1545.37	1566.58	1494.29	3.90	6.54	16,18	43.67	1200,14	1764.11	32	1444	246	1764.11	2284	61. 52	13/12/74
& FT-SE-A ALL-SHARE(858)	1539.71	-1.3	مهاجدت ا	· Andreas															
																			

74 Lity Assurance(6) 75 Mesubart Banks(6) 77 Other Financia(24) 79 Property(41)	2368.35 3093.46 1944.29 1463.16	+1.0 3062.38 -0.8 1959.57 -1.1 1478.80	3038.44 3079. 1957.45 1973. 1471.97 1488.	15 3044-30 80 1743.00 15 1602.50	3.33 10.5 3.88 8.0 4.12 4.2	7 14.78 7 29.59	82.29 \$2.77 39.60	1036,89 2 835,83	2279.35 1886.68	2/2 2838.56 4/2 1752.83 4/2 1453.40	1/7 3761.25 4/7 2279.35 27/6 2132.46	4/2/94 5/9/89	982.80 27/1/86 156.30 1/10/90 718.46 16/9/92
80 DEVESTMENT TRUSTS(12)		-0.9 2853.36	2829.95 2863. 1546.37 1568.		2.15 1.8 3.90 6.5		50.05 43.67			2/2 2616.56 3/2 1446.85	27/6 3184.31 24/6 1784.11		61.92 13/12/74
es FT-SE-A ALL-SHAFERSH Hourly movem		9.00	10.00	11.00		200		3.00	14.00	15.00	16.10	High/day	Low/day S064.6
FT-SE 100 FT-SE MM 250 FT-SE-A 350 Nove of FT-SE 100 Hight 8.3344	3133.2 3656.9 1579.0	3122.5 3850.4 1574.2	3105.6 3639.9 1565.8	31163 3641.1 1570.2	0 3	1096.7 1638.3 1562.8	3	095.4 634.9 562.1	3094.9 3634.4 1561.9	3074.7 3621.9 1552.8	3066.4 3617.7 1549.2	3133.3 3657.0 1 579. 0	3615.9 1548.3
FT-SE Actuarie	350 in	dustry b	10.00	11.00	12.00		.00	14.00	15.00			Previous	Change -23.1
Bidg & Chetron Thermaculation	1067 0 3045 4 1889.4	1062.7 3035.8 1871.4	1061.0 3011.7 1876.4	1054.9 3019.2 1882.8	1050.6 2989.8 1872.1	29: 18:	49.0 97.5 72.0	1047.9 2987.3 1870.1	2954.1 1860.8	3 2949. 5 1859.	9 2946.4 6 1858.1	1064,1 3027,3 1847,9 2886,6	-23.1 -80.9 +10.2 -56.9
Valor lenks Spully section or group	2903.8 Base Base date value	Equity 56	2888,8 ction or grou	2893.1 Base p <u>dato</u>	2674.2 Base value	Equity	73.0 sectio	2870.7 on or grou	Basa p date	Saso Value E	quity saction or	group	Base Base date velue 12/75 100.00
T-SE Total Return Indicas 3' T-SE SmallCap or too Total 3' T-SE SmallCap or too Total 3'	1/12/92 1000.1 1/12/92 1983 1/12/92 1363.	00 FT-SE-MA 19 FT-SE-A 19 FT-SE 10	D	31/12/83 31/12/83 31/12/90	882.94 1000.00 1000.00	Non-Fi FT-SE- All Oth	A AII-E	State	29/12/89 10/4/62 10/4/62 31/12/85	100.00 ln 100.00 D 1000.00	K Gilts Indices Cax-Linked ebs and Loans	30 31/1	/4/82 100.00 2/77 100.00
First SmallCop nt to 175 31/12/95 1412.80 Electricity 31/12/95 1000.00 All Other 31/12/95 1000.00 All Other 31/12/95 1000.00 31/12/9													

Next fails to piease

A series of profits downgrades and a steep fall in the share price hit Next, the fashion retailers, despite better than expected profits and a much higher than expected interim dividend.

The stock price dropped 15 to 243p - its lowest level since July - on turnover of 13m shares, the heaviest daily volume for more than three years and the highest on the stockmarket list yesterday.

The downgrades, mostly down to around the £95m to £97m level, from previous levels of around £100, followed a cautious statement from the company on second half sales. It pointed out that sales in the last quarter of last year were particularly good.

Waters wanted

Water stocks continued to recapture some of their former gloss, with the sector said to have been given a strong push by James Capel and other brokers after a period of relative stagnation.

Dealers said the institutions were still keen on the defensive, high yielding areas of the

market. The best individual performance in waters, albeit in light turnover, came from Southern which closed 10 higher at 573p, after 575p, closely followed by Thames, up 6 at 509p and Severn Trent, the same amount up at 545p.

buy-back programme, acquiring a further 1.5m shares at 795p and boosting the stock price 4 to 790p, South Wales bought in 400,000 shares at 817p with the price easing 2 to 813p and Manweb edged up a penny to 833p after picking up im shares at 835p. Northern Ireland Electricity

returned to favour, closing 8 higher at 370p. PowerGen celebrated moving into its closed period by sliding 15 to 539p. The oil majors suffered a

double hit, reacting to the weakness of the dollar against sterling and to a feeling that NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (23). BUILDING & CHSTRIN (1) Sindsil (Wm). CHEMICALS (1) Amber Industrial, DISTRIBUTORS (1) Norbain, ELECTRING & ZLECT EGUIP (2) Korther (4), Thorpe (74), BNGMEERING (2) Ipoco, 500 Group, EXTRACTIVE MIDS (3) Kngstream, Petaling, Wiloughbyr Pri., MVESTMENT TRUSTS (4) LESSING & HOTELS (2) Aberdon Stank Houses, Fairline Boats, Jurys Hotel, MEDIA (2) Gramplan TV A. Princedale, MERCHANT BANK (1) Schroders, Oil. EXPLORATION & PROD (1) Reunco, PHARMACEUTICALS (2) British Blosects, Co Winz., RETAILERS, POOD (1) Morrison (Mini) 5%pc. Prf., RETABLERS, GENERAL (1) Brown (N), SPERTS, WINES & CIDERS (2) Macedian-Glanilyst, Maccionald

Merch A, SUPPORT SERVS (4) Hewtel Within Logice, Reliance Security, Serns, TEXTILES & APPAREL (1) Gent (SF), AMERICANS (1) Nov Corp of Alberta. NEW LOWIS (199).

NOW LOWIS (199),

GR.TS (46) OTHER FDCED INTEREST (4)

BANGES (3) Bank of Scotland Skipe Pri., Do

Skipe Pri., Standard Chartened Ykipe Pri., Do

Skipe Pri., Standard Chartened Ykipe Pri., Do

BUILDOM A. CHISTINN (10) Beazzy. Berlauby.

Branc, Gleeson (A.B., Lainy (A. Do A. Tütury

Douglas, Westbury, Wilson Bowdon, Wimpey (5)

BLIDG MATLE & HECHTE (8) Carston, Do 725;

Pri., Gullern, Hapworth, Heesti, Rugby.

DISTRIBUTIONS (S) Applysmal, Covel., Europee

Motor, Lax Service, Quicles, DWSHSETHED BID!

(1) Stater, ELECTRING & ELECT EQUP (1)

Johnson, BEGGRESHING (3) APV. (Syramad, Johnson, EMGINEERING (3) APV, Gymrid, Morgan Crucible 7.5pc Pri., EXTRACTIVE INDS (3) Asherd, Bracken, Pacific Arc, FOOD MANUF (3) Bols Wesseren, Dannon, INSURANCE (1) Heath (CE), INVESTMENT TRUSTS (17) ENT COMPANIES (4) MEDIA (1)

INVESTMENT COMPANES (§ MEDIA (†)
Melend Ind. Novia, MERCHANT BANKS (†)
Berings 94pc Prt, OLL EXPLORATION & PROD
(*) Energy Equily, OTHER FINANCIAL (†) Secure
Trust, PRITING, PAPER & PACKS (§) Hunterprist,
Somic, Weimotoghe, PROPERTY (§) British Land
8pc Bct, Petither King, Hammeston, Melenemy
A, Savilla Sp., Stough 8th Prt., RETAILERS,
FOOD (f) Strate Bross, RETAILERS, GENERAL
B) Agrees, Retification, Country Country FOLD (1) Issue to total, the Industry, General (8) Appray, Betterbure, Country Casualis, Hennam, Storehouse, SUPPORT SERNS (4) ISS A, JEA, Johnson Cleaners, OIS Ind., TEXTRES & APPAREL (1) Parkman, TRANSPORT (5) CSY, Mayre Nightess, NFC, Transport Development, Vanc., AMESPANS (4) California Energy, FPL, Heabro, Maley.

the sector had been over-hyped before and after the much-heralded exploration presentations by BP in London and New York and the double-digit dividend increased announced by Shell on Thursday.

BP dipped 7 to 413%p, on turnover of 10m and Shell 12 to ness in 1996. 710%p on 2.6m traded. Enterprise fell 11 to 395p. Calor put on another good showing, the shares edging up 2 more to 299p, still reflecting the good results announced earlier in the week.

Betterware, the group which sells domestic products direct to householders, was one of the market's biggest casualties, the shares plummeting 23 to 50p, after 49p, in the wake of the latest profits warning. The group warned that profits for the first half would not exceed £4m, compared with £7.6m in the same period last year.

Betterware shares peaked at

278p just over a year ago. News that summer 1995 holi-

day bookings are up 42 per cent on last year's figures, after a month's trading, gave a strong boost to Owners Abroad shares which jumped 7 to 119p. The news was delivered at a egm at which shareholders agreed a change of name, to First Choice Holiday.

Aggressive price cutting on trans-Atlantic routes by Continental Airlines of the US cast a cloud over British Airways, pushing the shares down 6% to 382½p. Trading volume was a massive 7m shares.

Most brokers stand by their profit forecasts for this year. But the US market is clearly a key route for BA and analysts will be watching US airline price reactions like a hawk.

Tiphook provided the only other big transport feature, easing a further 2 to 35p on confirmation that a bankruptcy petition had been served against chief executive Mr Robert Montague.

The stock market fears that Mr Montague's personal stake in the company - possibly around 3 per cent - could now be overhanging a share price that has tumbled this year from a peak of 79p.

British Aerospace shed 12 to

473p in nervous trading ahead of next week's interim results. The decision by Raytheon to switch to the US production of the corporate jet business brought from BAe last year added to uncertainties.

BAe has less than two years left of a three year agreement to supply parts to Ratheon. With production moving away from the UK there are serious stock market doubts that BAe will be able to renew the busi-Siebe continued

ground, rising 7 against the general trend to 557p with the backing of a buy recommendation from Warburg Securities. Heavyweight pharmaceutical

shares came in for markedly heavy selling with Wellcome tumbling 23 to 657p as the bid speculation that has hovered over the company since April showed signs of rapidly evapo-

Waning takeover hopes also hit Zeneca although analysts pointed to the company's strong operating fundamentals as helping to limit the downside shift to 19% to 810%0p.

E CHIEF PRICE CHANGES

YESTERDAY			
London (Pence)			
Rises			
BLP Group	190	+	10
British Biotech	520	+	15
Hawtal Whiting	305	+	20
Kwik-Fit	160	+	6
Owners Abroad	119	+	7
Ramco Energy	256	+	37
Falls			
APV	75	_	8
Betterware	50	-	23
Geest	211	_	30

amco Energy	256	+	37
alls			
PV	75	_	8
etterware	50	-	23
eest	211	_	30
Badway	35	_	5
unterprint	37	5 –	3
ngfisher	487	_	15
aing (J) A	248	_	8
idland Ind News	140	_	14
ext	243	_	15
atmoughs	370	_	22
impey (G)	145	-	7

Its huge US market interest could only exacerbate the slide at Glaxo which tumbled 17 to 584p. There was heavy turnover in the stock options.

Among smaller shares, British Biotech moved up strongly by 15 to 520p on the back of a buy recommendation from Lehman Bros.

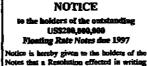
The major chemicals groups got caught up in the dismal trend. Having opened higher at 852p, ICI quickly lost ground to close 101/4 lower at 8331/4p.

Among motor distributors. Kwik-Fit rose a further 6 to 160p as the market digested Thursday's good interim results and consequent securities house profit upgrades.

Schroders left the rest of the merchant banking sector far behind, responding to talk of broker upgrades. The ordinary shares moved up 24 to 1574p. Other merchant banks, however, mostly suffered from the recent turbulence in bonds and equities, which could have trigtrading houses.

Midland Independent Newspapers were sold down to their March flotation price with the shares falling 14 to 140p on the back of a cautious interim statement. The recovery in advertising flows remains very

patchy. Some analysts have been downgrading their profits projections for the full year, notably Smith New Court which has clawed back from £17m pre-tax to £15.6m. United Newspapers, down 10 to 505p, put out their interim results next



Notice is hereby given to the holders of the Notes that a Resolution effected in writing encented by or on behalf of persons holding or representing not less than 75 per cent in nominal amount of the Notes then

Accordingly modifications to the Terms and Conditions of such Notes and the Trust Deed constituting them were made by means of a Fifth Supplemental Trust Deed in the form of the draft deed attached to the form of the Recep Enteroxises Inc.



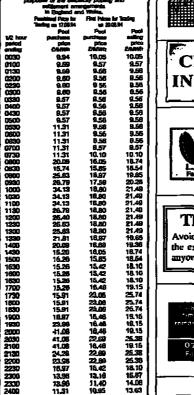
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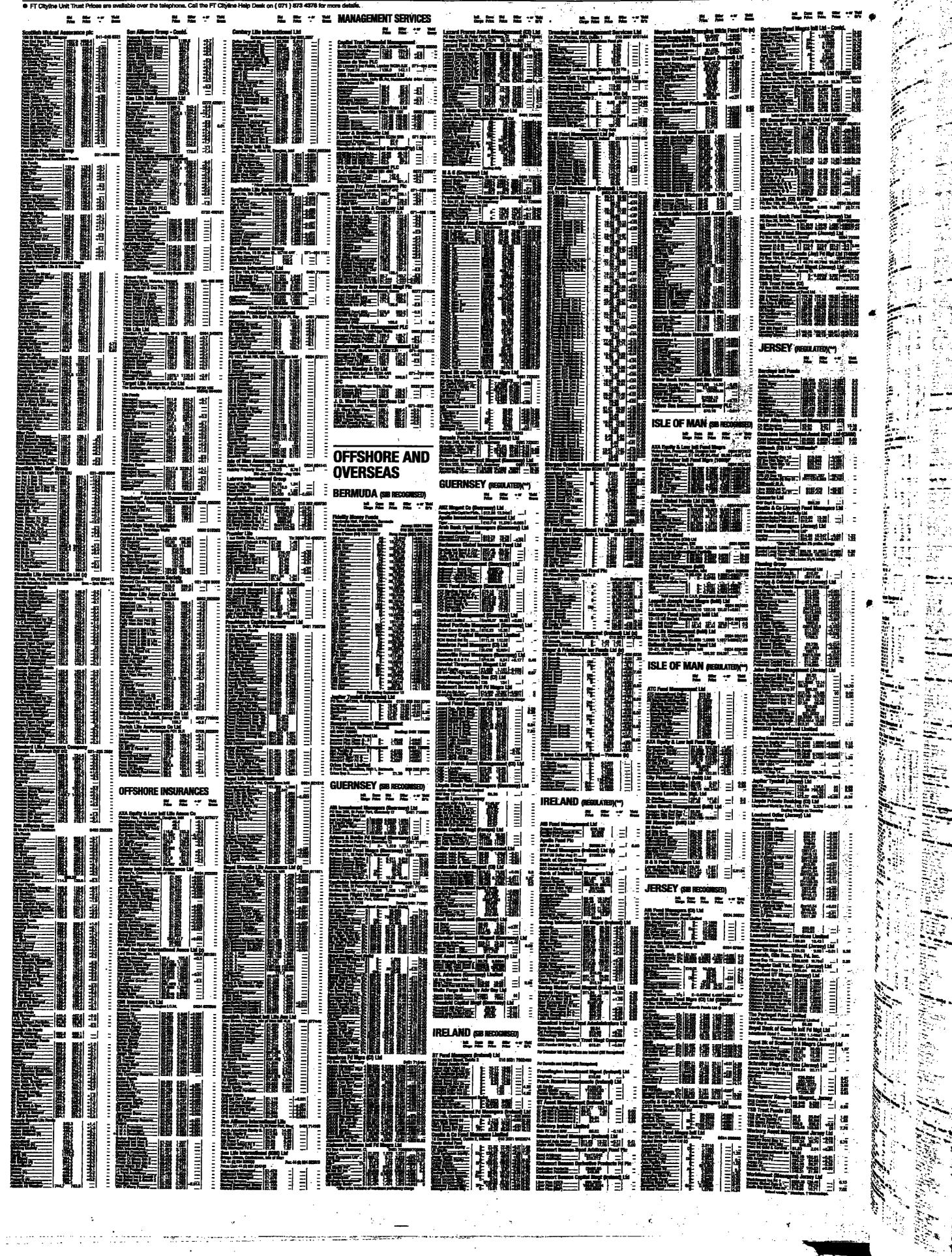
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WORLD STOCK MARKETS

AMERICA

Striking shift in US equity sentiment

Wall Street

US stocks retrenched yesterday morning after troubling economic data triggered a sell-off in bonds, writes Frank McGurty in New York.

By 1 pm, the Dow Jones Industrial Average was 24.23 lower at 3,929.65, having recovered from its mid-morning nadir of 3,912,83. Though the index's decline was not particularly deep, the NYSE's downturn was extremely broad in its scope. Declining issues on the Big Board swamped advances by a three-to-one margin, pushing the Standard & Poor's 500 down 3.47 to

In the secondary markets, the American SE composite was 1.06 lower at 458.68, and the Nasdaq composite shed 2.79

The fresh turbulence surfaced on a most inconvenient

day, with futures contracts and options on individual stocks and indices set to expire. During such "triple witching" sessions, the reinvestment activity typically generates crushing volume and often brings volatile trading condi-

Yesterday was no exception. With three hours still to go before the close, some 285m shares were exchanged on the NYSE, compared with 280m by the end of Thursday's session.

After Thursday's session, in which the blue chip index climbed 58 points to within striking distance of its all-time closing high, the shift in sentiment was striking. The catalyst was the commerce department's announcement that

capacity utilisation, a keenly watched barometer of producer prices, had reached its highest level in five years.

The news, which contra-dicted Thursday's evidence of moderating economic conditions, set off a stampede of sellers in the inflation-sensitive Treasury market. By early afternoon, the yield on the henchmark 30-year govern-ment security had broken through its recent trading range to reach 7.77 per cent.
The reaction among equity

investors was more measured. Among the Dow components, most of the declines were fractional, though only two issues out of the 30 were showing any improvement. Nevertheless the blue chip index battled back from its morning lows, aided by IBM's \$1% gain to \$71%,

ITT climbed \$1% to \$81% after confirming reports that it planned to sell some financial services operations as part of a strategic shift.

Elsewhere the movement was mostly negative. In the motor vehicle sector, General Motors dropped \$1% to \$50% and Ford slipped \$1/4 to \$28%. Caigon Carbon lost \$1, or about 7 per cent of its share

value, to \$12 after issuing a third-quarter profits warning after Thursday's close. On the Nasdaq, Microsoft dropped \$1 to \$57% and Atmel was down \$1 at \$30%.

Toronto retreated in line with New York, the TSE 300 composite index easing 9.55 to 4,375.91 in volume of 31.25m

Declines outweighed advances by 266 to 250, with 307 issues steady.

Shares in São Paulo were easier at midsession after the central bank said that it had closed down one of the country's smaller private banks, Brasbanco, and its underwriting operations. The central bank said that Brasbanco had encountered liquidity difficul-

The Bovespa index was down 171 at 52,704 at midday in turnover of R\$356m (\$416m). The bank's closure followed earlier reports that some large state banks were having problems with liquidity following the introduction of the new

currency, the Real, in July.

Brokers reported that the

MADRID's focus on bond

markets took banks lower

again, the sector leading the

way down with construction

and building materials stocks

as the general index fell 3.23 to

301.21, 1.3 per cent down on the

In construction, FCC, Huarte

and Uralita dropped Pta530 to

Pta12,360, Pta60 to Pta1,580 and

Pta50 to Pta1.535 respectively.

In banks, up on Thursday on

rumours of more relaxed rules

on provisions for bond market

losses, Argentaria lost Pta150

at Pta5,310 and BBV Pta80 at

Pta3,145. Ironically, the Bank

of Spain was reported to be

moving on the provisioning

initiative after the market

Written and edited by William Cochrane, John Pitt and Michael

next support level was at 405

in August as the escudo stabilised and economic and cornorate performance confirmed forecasts of a recovery. The index closed yesterday at 2.936. up 7.7 per cent since the start of the year.

eight months of 1994 was also very strong, rising by 77 ner cent in escudo terms over the same period last year, which itself followed a rise of 97 per

A partial explanation of the

The economy is thought to tral bank to begin a cautious have begun emerging from

potential for growth recession in the second quarter intervention rate has been cut

Peter Wise on prospects for equities in Lisbon

Portugal capitalises on

ortugal is the only European market where the main stock exchange indices are currently higher than at the start of the year. That is the good news. Even better is the fact that the motor for growth has

shifted from liquidity to economic and corporate fundamentals. Funds flowing into equities because of the sharp drop in government debt rates pushed

the BTA index up by nearly 60 per cent in 1993 and to a twoyear high of 3,226.6 in February. The market fell back following that peak on turbulence in the currency markets, to hit a year's low of 2,612 in late But from then on the index gained ground - 1.9 per cent in

July and a further 6.3 per cent Trading volume for the first

cent in 1993.

market's growth over the past two years can be put down to a process of catching-up with the other European bourses after a long period of virtual stagnation. But prospects for strong, non-inflationary economic growth and the expected benefits of corporate restructuring are beginning to take over from less stable factors as the drive behind the market. Analysts are unanimously buoyant about Portuguese equities, and the most optimistic are forecasting a further 15 per cent rise by the end of the year.

"Portugal has the advantages of an emerging market in terms of high potential growth, without the economic and political risks associated with markets in Latin America and Asia," says Mr Trevenen Morris-Grantham of Carnegie Por-

of 1994. The government is forecasting economic growth of between 1 to 2 per cent this year, based mainly on increased export and tourism earnings. Next year's budget is being prepared on an estimate of 2.5 to 3.5 per cent growth in

Unlike most of Europe, the return to growth is being accompanied by a steady fall in inflation: year-on-year figures fell from 6.3 per cent in January to 4.8 per cent in August. The government is forecasting an average annual inflation rate of 4.5 to 5.5 per cent this

Portugal



Source: FT Graphite

1993. But the 1995 goal of 3.5 to 4.5 per cent may be over optimistic, especially as a general election is due in October 1995. Financial market tensions have also eased considerably in recent months: since the last speculative attack on the escudo in May, the currency

has appreciated from a low of

Es104.5 to the D-Mark to

year, down from 6.5 per cent in

Es101.7 at present. "Although improving fundamentals partly explain the turnaround, perhaps the more crucial factor has been the markets' acceptance that they cannot beat a central bank that persists in suspending official money-market rates at the first sign of trouble," says Ms Sally Wilkinson, southern Europe economist with Union

Bank of Switzerland. A stable escudo and falling inflation have enabled the cen-

in gradual steps from 11 to 9.25 per cent since July, two months after the currency cri-

With the liquidity injection rate remaining suspended the monetary authorities have continued to lend through a varihas been cut from 9.72 to 9.5 per cent over the past few days. The central bank's decision to lower the compulsory cash reserve requirement for banks from 17 per cent of customer liabilities to two per cent from November 1 will also help create a fresh climate for interest rate reductions.

And there is ample room for our cuts. Portugal's short-term rates are more than 200 basis points higher than Spain's, although inflation in the two country's is almost identical. But analysts expect the central bank to halt rate cuts as soon as there is any indication of renewed attacks on the escudo.

he recession in 1993 has given Portuguese companies the incentive and opportunity to streamline and refocus. "Companies are now in a much better position to take advantage of a resumption in economic growth and produce higher profits," says Ms Mari Vargas of Dillon Read. Two half-yearly results

announced last week reflect this confidence. Sonae, Portugal's largest private-sector industrial and distribution conglomerate, reported a 110 per cent increase in net consolidated profits, while Corticeira Amorim, the world's largest cork producer, showed a 269 per cent increase.

Half-yearly bank results were also better than expected. Some analysts are now forecasting a recovery for the banking sector, which accounts for more than half the market turnover, by the end of 1995. Banco Comercial Portugues' bid for control of Banco Português do Atlântico. although vetoed by the government, has shown that there is a drive towards rationalisation and cost-cutting in banking as lowering of interest rates - the in other areas of the economy.

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Shares and bonds suffer severe punishment

European morning turned into a painful erosion of equity values yesterday afternoon, writes Our Markets Staff.

Domestic bond markets took severe punishment as US data showed industrial production and capacity utilisation at levels higher than expected.

PARIS took the full force of the European selling wave. Having enjoyed a moderately good morning, after a strong overnight rise in the Dow, the CAC fell away sharply throughout the afternoon. Almost mirroring last Fri-

day's performance, when the 40 share index closed down 2.2 per cent, the market ended the day with a loss of 2.6 per cent, down 52.71 at 1,924.59, bringing its accumulated loss on the week to 1.2 per cent. Turnover was FFr3.8bn One or two bright spots were

in evidence. St Gobain, for instance, picked up FFr13 to FFr655 following its greatly improved first half results, which exceeded analysts' expectations. Total, initially, was another

gainer, rising to an intraday high of FFr338 before succumbing to the afternoon sell-off and closing the session down a modest 60 centimes at FFr331.60. The oil group, which

Profit-taking and arbitrage sell-

ing depressed share prices in

low volume after Thursday's

holiday, writes Emiko Terazono

The Nikkei 225 index closed

down 123.12 at 19,796.26 after a

high of 19,972.59 and a low of

19,795.26, for a week's loss of

0.5 per cent. The index rose in

the morning session on index-

linked buying prompted by the

stronger dollar against the yen

and the sharp rise in US stock

However, position adjustments ahead of the weekend and profit-taking by corporate

Volume was 251m shares

against 265m. The Topix index

of all first section stocks

declined 7.75 to 1,576.21, and

the Nikkei 300 lost 1.29 to

287.95. Declines outnumbered

advances by 700 to 267, with

199 issues unchanged. In London, the ISE/Nikkei 50

Mitsubishi Heavy Industries,

the most active issue of the

day, fell Y10 to Y743 on selling

by overseas investors. Other

1.50

large capital issues were also

FT-ACTUARIES WORLD INDICES

index slipped 0.20 to 1,288.39.

investors eroded the gains.

prices on Thursday.

ASIA PACIFIC

Tokyo

Sep 16					1	HE EUR	OPEAN	SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
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FT-SE Eurotrack 100		1368.54	1360.6	8 13	67.41	1368.09	1370	103
FT-SE Eurobrack 200		1415.84	1401.5	5 14	12.44	1418.17	1416	.30

Region revives as Nikkei gains are eroded

rose 4 per cent on Thursday, has been benefiting from renewed overseas interest.

FRANKFURT was pulled well off its highs during the official session by weak bonds, and it lost more ground in the post bourse as the December bund future hita contract low. and then fell further.

The Dax index registered an early high of 2,138.65 but closed the session at 2.118.73, up 4.75 on the day and down 3 per cent on the week. After hours, it slid to 2,097.45, a fraction above its worst for the day.

There were encouraging moves on the session. Veba closed up DM4.10 at DM541.50 on plans for a stake in the satellite telecommunications company, Iridium; and Preussag rose DM4 to DM459.50 after it said it was buying from Metallgesellschaft a 65 per cent stake in the transport group, LMT. Metallgesellschaft hit a new

actively traded with Nippon

Steel down Y1 to Y376 and

Matsushita Electric Indus-

trial lost Y20 to Y1,600 on wor-

ries about oversupply. The

company is expected to raise

some Y200bn in convertible

Other high-tech stocks were

also weak in spite of the rise in the dollar. Hitachi fell Y8 to

Y956 and NEC lost Y30 to

Speculative favourites were

higher. Hanwa, the steel

trader, rose Y24 to Y434 and

Sanrio added Y40 to Y1,470.

Tsumura, the pharmaceutical

company which previously lost

ground on reports of lower profits, gained Y40 to Y327 on

In Osaka, the OSE average

fell 154.04 to 22,000.57 in vol-

The region's equity markets,

flat to middling on Thursday. mostly revived following over-

night gains on Wall Street. KUALA LUMPUR saw heavy

speculative buying and some

institutional demand in key

blue chips, and the KLSE index

NKK down Y4 to Y275.

bonds next month.

active buying.

Roundup

ume of 58.1m shares.

1994 low of DM167-20 before closing DM6 lower at DM169. and defying the post-bourse slump with a token recovery to

DM171 in the afternoon. MILAN received a boost from news of Montedison's return to first half pre-tax profit, before the US news raised worries about higher inflation and interest rates. The Comit index put on 17.15 or 2.6 per cent to 678.49 for a 2.4 per cent rise over the week.

Mr Michele Pacitti at James

Capel said that renewed buying was being seen in anticipation of positive news from forthcoming half year corporate reports.

Montedison climbed L44 or 3.2 per cent to L1.423, after a high of L1.452, while Ferruzzi, the parent company, put on L68 to L1,637. The mood spilled over to other industrials, taking Fiat L90 ahead to L6,574. Insurers continued to do well

rose 9.21 to a new, eight-month

closing high of 1,185.27, a fraction higher on the week.

shares to 506m. Idris Hydrau-

lic, a speculative favourite,

21.5m shares.

climbed 35 cents to M\$5.75 in

1,000 mark for the first time

this year as blue chips staged a

technical rebound. The com-

posite index rose 12.05 to

1,000.80, up 1.6 per cent on the

week. Turnover eased from

Brokers said that the govern-

ment appeared to scale down

selling intervention in later

trading, resulting in upbeat buying interest in blue chips like Kepco and Korean Air;

both went limit-up, rising

Won1,300 to Won35,800, and by

HONG KONG was revived by

late buying which left the

Hang Seng index 105.88 higher

at 9,968.52, down 1.7 per cent

on the week, as turnover rose

from HK\$3.44bn to a provi-

active, gaining 25 cents to HK\$74.50 in turnover of nearly

HK\$296m; but its subsidiary,

Dairy Farm, which late on

Jardine Matheson was

Won1 000 to Won26,600.

Won883.4bn to Won733.1bn.

SEOUL closed above the

Volume rose from 450m

also adding to the day's gloom. on hopes that they will benefit from pension reform. Generali rose L825 or 2.1 per cent to L39,310 as it launched its onefor 10 rights issue.

Against the trend. Olivetti gave up L20 to L2,060 ahead of first half operating results next Thursday which, some analysts have forecast, could include losses on its bond portfolio of at least Libn.

ZURICH came under pressure from lower US bonds and the weaker dollar, and the SMI index fell 25.3 to 2,603.3, down 1.5 per cent on the week. Roche certificates, under

pressure on Thursday after Goldman Sachs removed them from its European recommended for purchase list, fell another SFr90 to SFr5,960, in spite of news that BZW had confirmed its "strong buy" recommendation yesterday.
Nestlé fell SFr16 to SFr1,200

in response to Thursday's smaller than expected first half profit rise, although analysts remained optimistic for the full year result

AMSTERDAM breached the 410 support level as the repercussions of US data made themselves felt and the AEX index declined 4.03 to 407.58. After a see-saw week's trading the index closed a net 1.3 per cent lower, with options expiry

Thursday announced higher

profits and said it would cancel

its Hong Kong listing, fell 80

WELLINGTON was led

higher by Fletcher and other

blue chips, the NZSE-40 index

ending 18.67 higher at 2,111.67.

2.2 per cent lower on the week.

Fletcher rose 12 cents to

SINGAPORE was steered

higher by last minute buying

of two key index-linked stocks, Cycle & Carriage and Keppel,

which left the Straits Times

Industrial index up 16.34 at 2,297.18, virtually flat on the

week. Cycle and Carriage jumped 80 cents to S\$13.30,

and Keppel 40 cents to

break resistance at 1,550, the

SET index rising 12.20 to

1,546.24, 2.5 per cent higher on

the week in turnover of

Bt10.4bn. Trade focused on

blue-chip telecommunications.

SYDNEY failed to maintain

an early rally as anxiety over pending US capacity utilisation

figures dogged the market. The

All Ordinaries index ended

only 8.2 higher at 2,059.0, 0.6

Uniterer (*1122)

per cent lower on the week.

finance and banking stocks.

BANGKOK was unable to

NZ\$4.41 in 5.3m shares

cents to HK\$11.60.

SOUTH AFRICA A late rise in the gold price

closed.

failed to lift gold shares on and they closed near the day's lows, the index falling 22 to 2,406. The overall index shed 9 to 5,831, and industrials lost 2 to 6,520. De Beers shed 50 cents to R108.50.

LONDON EQUITIES

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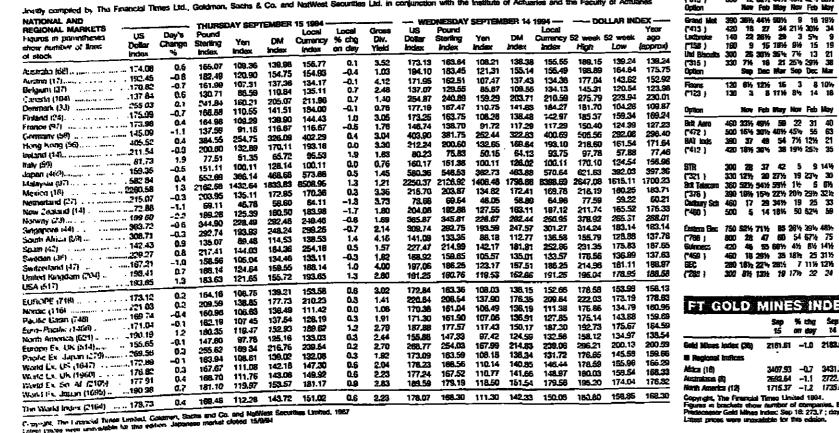
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- Maria (1990) - 1990 -

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FINANCIAL TIMES

Weekend September 17/September 18 1994



US officials rule out third party mediation with military junta

US-led Haiti invasion 'days away'

The US-led invasion of Haiti is "a matter of days away" and, when it comes, serious fighting will be over "in a matter of hours", according to Mr Warren Christopher and Mr William Perry, respectively US secretaries of state and defence.

US president Bill Clinton, whose televised address to the nation on Thursday night had laid out his justifications for intervention, yesterday cancelled a political trip to California scheduled for tomorrow.

Mr Perry said US forces would be ready by the weekend and could maintain that state for sev-

Washington was alive with

rumours that one or more of the Haitian military junta was preparing to leave the island. But Lt General Raoul Cedras, the army chief who was interviewed live on US TV after the president had finished, said he was prepared to

die for his country.
US officials ruled out third party mediation with the junta, reported to have been offered by Mr Edward Seaga, the former Jamaican prime minister, and Mr Jean-Claude "Baby Doc" Duvalier, the dictator overthrown in 1986. Any dealings with the US embassy in Port-au-Prince and these would only include negotiations about the manner of

their departure.
Mr Clinton held a meeting yes-

terday with Jean-Bertrand Aris-tide, the Haitian president ousted by Lt Gen Cedras in the 1991 coup, and representatives of more than 20 nations which are contributing to an international peacekeeping force that will take over after the US invasion.

Mr Aristide, in a significant concession to conservative critics of his leftwing politics and character, promised to step down when his term of office ends late next year and to respect the result of the next presidential elections.

Although the Haitian constitution prevents him from seeking re-election. Mr Aristide had maintained that the clock should be stopped on his term at the 1991 coup. This would have given

Mr Clinton's address appeared to reduce public opposition to invading Haiti. One instant poll found support for sending in US troops up to 56 per cent from 40 per cent, while another reported outright opposition to an invasion down from 73 per cent to 60 per cent.

However, much political opin-ion was unmollified. Former president George Bush said yesterday he found Mr Clinton's arguments mind-boggling", but he added that if the invasion were launched "I will support our own troops and our own president".

Least worst option, Page 9

Russia set

reform step

cent. It also wants to increase by

up to \$2bn what it can borrow

under the so called "systemic

transformation facility".

This is a lending medium with

fewer conditions than normal,

under which Russia has already

borrowed \$3bn in the past 12

months - also by raising the

The \$7bn-\$8bn from the

stand-by and the systemic trans-formation facility loans would be

used, says Mr Kagalovsky, to:

• fund the budget deficit and

provide for the "pressing needs"

of industry, the farming sector,

health and social provision;

put up a fund to stabilise the rouble by paying an estimated \$6bn and \$8bn to the Russian

Central Bank, and giving it

enough reserves to protect the

Russian currency once it is made

fully convertible. Mr Kagalovsky

for risky

Continued from Page 1

NHS accounts qualified over £3m in termination payments

Social Affairs Correspondent

Health authorities may have exceeded their powers by spending nearly £3m on termination payments for employees, it was revealed yesterday by Sir John Bourn, comptroller and auditor-

He qualified his opinion on National Health Service accounts for 1992-93 in view of "considerable doubt" over whether the health authorities were empowered to make all the payments

The report brought renewed criticism of financial controls in the NHS from Mr David Blunkett, shadow health secretary. He said it provided "yet more evidence" of how public money was used in an unaccountable health

"By packing health authorities with Tory supporters, the govern- money grounds. Sir John says

ment has ensured that decisions about pay-offs and relocation payments are being made without public scrutiny," he said. Sir John found that regional

and district health authorities made employment termination settlements totalling £2.638.000 over four years which may not have been within their powers. while family health authorities paid another £348,000. Most of the settlements were compensation for loss of office following organisational change and, says the report, largely represented unexpired portions of contracts - the longest period being two years nine months.

Senior NHS managers say they are considering what proportion of the payments was properly due, and will then discuss with the Treasury whether any remaining sums can be approved retrospectively on value for approve a £78,000 termination settlement paid by Wessex regional health authority to a member of staff, but the authority believed that "pursuing recovery of the payment would not be cost-effec-

The report finds that two health authorities spent a further £465,000 on relocation payments for five members of staff, £202,000 of which was outside their pow-

Severance payments are a sensitive issue in the NHS. MPs on the Commons public accounts committee investigating cases of mismanagement have criticised payments to staff who, they believe, should have been summarily dismissed.

Sir John finds that 84 per cent of NHS trusts broke even in 1992-93, while 81 per cent stayed within their external financing limits set by the government.

says that the money must be paid over to Russia rather than held in reserve by the Fund; • give Russia membership of the Paris Club of creditor nations - because of the huge debts owing to Russia, which Mr Kagalovsky estimates at \$147bn.

Tied down by bonds The equity market has again fallen foul of events in bonds. Yesterday's FT-SE Index: 3065.1 (-47.6)

47-point fall in London was the prod-uct first of disappointing public sector borrowing figures for August and later of the sharp rise in US industrial production which raises fears of further increases in transatlantic interest rates. That equities should react badly to signs of economic growth always suggests valuations are stretched. But this week has shown them again in thrall to bonds, where the outlook is not particularly promising.

There is no particular need to worry about one month's poor borrowing figures. The cumulative trend in government spending this year still suggests the PSBR will undershoot the government's £36bn target. But the positive response to Monday's higher base rates has quickly evaporated and the government funding programme is no longer as comfortably shead as it was

at the start of the year. For the time being, the authorities seem to be playing safe. The September auction will be of 10-year paper which is usually attractive to interna tional investors and deliverable into the futures contract. With a stronger sterling and a yield premium of 150 basis points over German government bonds, it may meet reasonable demand. But the German market is spooked by the realisation that the government is behind with its finance ing while the interest rate cycle has turned. Against that background, there is not much relief in sight.

Next is an undeserved prisoner of its past. Investors remember the punishment which followed their love-affair with the company in the 1980s, and live in fear of a repeat performance even though Next's successes are now based on more solid foundations. How much more solid was emphasised by yesterday's stellar set of interim results, which perversely served to trigger a 5 per cent fall in the share price.

Admittedly the chairman was cautious on the outlook for sales growth, but the slowdown from the current 13 per cent does not mean growth is set to peter out. On the contrary, Next is increasing its retail and catalogue sales faster than its competitors. The City consensus suggests high operational gearing will take pre-tax profits to more than £100m this year - close to the 1980s high point - and to more than £120m in 1995. Plans for expan-

Share price (pence 400 200

THE LEX COLUMN

sion are reassuringly modest. The tentative four-store experiment in the US does not suggest Next is about to rush into trouble in the tricky north Ameri-

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can market. The current management's performance has been honoured by a nineteen-fold increase in the share price since its 1991 low point, a performance that obviously cannot be maintained. It is, however, quixotic that the shares should be on a sub-sector rating, when the earnings outlook is better than for the sector as a whole.

Banks' fees

1984, 86

Source: FT Graphite

Are financial advisers fleecing their most vulnerable corporate clients? The question has been raised twice this week. In the first instance, Lasmo revealed it had paid financial advisers £16m to fend off a hostile £1.6bn bid from rival oil explorer Enterprise. In the second. Queens Most Houses, the struggling hotel group, announced that provisions for restructuring its £1.3bn in debt had been raised to £42m. Some of that has been earmarked to pay fees for a new borrowing facility.

in Queens Moat's case, the scope for exploitation is clear. Its bankers were in a position to dictate terms for the borrowing facility. If Queens Moat did not like them, the banks could have forced it into receivership. The Lasmo case is less clear-cut. Theoretically, it could have shopped around to find a cheaper set of advisers. But in practice, managers on the receiving end of a hostile bid rarely concentrate on negotiating lower fees. Their priority is to beat off the predator. Of course, just because there is

has actually occurred in either case. The sums look high, but it is possible advisers have provided value for money by rescuing Lasmo from take-over and Queens Moat from receivership. The only way to know would be if much greater detail was disclosed by companies in such vulnerable situations about their contracts with bankers. Ideally, this should happen in good time for shareholder objections to be aired. Bankers might still seek multi-million pound fees but they would have to justify them in public.

Sweden

At one level it scarcely matters to Swedish financial markets who wins tomorrow's election. With government debt already yielding 8 percentage points more than the inflation rate the market has already priced in a good measure of scepticism over the country's ability to contain its government deficit. National debt threatens to exceed gross domestic product next year. High interest charges on that debt mean Sweden will find it harder than other countries to grow out of its deficit problem. The stage is coming when a government of whatever hue must take action to curb welfare

Doubtless, victory for Mr Carl Bildt's centre-right coalition would come as a pleasant surprise for mar-kets. The Social Democrats look more likely to win, albeit not outright. Their plans for reducing the deficit are strikingly modest by comparison with those of the government, but a coalition partner might force them into tougher action. High-profile warnings about the state of government finances from private sector businessmen have at least drawn public attention to the issue.

The question for financial markets will be how long it takes for the Social Democrats to revise their plans. Anything more than a short delay could provoke a further bout of weakness for both bonds and the krona, and a fresh rise in short-term interest rates. Bold investors might see that as a buying opportunity on the grounds that financial market alarm would concentrate minds on the fiscal problem. But the ride could become very rough indeed if the markets conclude that the government does not have the stomach for the task. That would prompt more general worries about the ability of industrial democracies to fund their public spending.

Draft code boosts Brussels' aim of controlling EU trade policy

By Emma Tucker in Brussels

The European Commission has been given a boost in its efforts to control the European Union's international trade policy, under a proposed compromise drawn up by the German presidency of the Council of Ministers.

The draft compromise is intended to help resolve a complex legal battle between the Commission and member states. The dispute threatens to delay EU ratification of the General Agreement on Tariffs and Trade Uruguay Round world trade deal, due to come into effect at the start of 1995.

However, the proposal is still likely to be resisted by some of the 12 member states, particularly the UK and France, which must approve it unanimously if

Most EU governments object that the Commission is over-stepping its authority by insisting the round can be ratified by giving the Commission sole power to

negotiate trade agreements. The governments argue that this authority does not cover agreements in areas such as services and intellectual property. They say ratification of these aspects, and the Commission's authority to negotiate on them in the planned World Trade Organisation, requires additional legis-

lation However, a draft of the German presidency's proposed compromise goes a long way to satisfy-ing the Commission's demands. It says: "The commission will speak and negotiate on behalf of the community and the member states in the WTO.

The draft adds that member

FT WEATHER GUIDE

states' freedom to speak out individually in the WTO would be subject to a code of conduct which would leave them little scope for action.

The code of conduct is also likely to anger the European Parliament. The parliament says it has a right of consultation on the procedure that the code – which makes no reference to the parlia-

Positions taken in trade mat-ters should "result from a common decision arrived at wherever possible on the basis of a Commission proposal", the code states. When that proves impossi-ble it may be decided "at an appropriate level by consensus free to present its own position".

Santer's challenge, Page 9

the Millennium Commission.

Lottery

Continued from Page 1

proceeds to replace statutory funding programmes. At the conference Mr Major

outlined some of the possibilities for the fund designed to mark the millennium. They could range from engineering and construction projects to ways to help the environment and equipping village halls with computers.

A Millennium Bursaries ne was being considered by

"Chairs could be endowed at universities in subject areas which will contribute to the quality of life for everyone in the third Millennium," Mr Major

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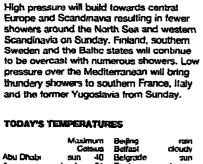


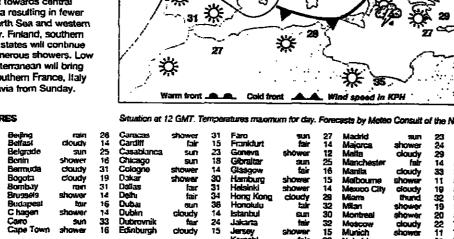
Europe today

Low pressure will weaken as it moves over southern Sweden. As a result, north-westerly winds over the North Sea will diminish to gale or near gale speeds. Cool and unstable air will continue to bring overcast skies and numerous showers, possibly with thunder, to the east coast of England, the Benefux, northern Germany, Denmark, Sweden and Finland. High pressure south-west of Ireland will keep western England, western France and Ireland mainly dry. The Mediterranean will remain sunny and dry, except for southern Italy and the Baleares, which will have a few showers. The Alps and the Balkan states will also have showers. The highest temperatures will be in southeastern Europe.

Five-day forecast

High pressure will build towards central Europe and Scandinavia resulting in fewer showers around the North Sea and western Scandinavia on Sunday, Finland, southern Sweden and the Baltic states will continue to be overcast with numerous showers. Low pressure over the Mediterranean will bring thundery showers to southern France, Italy







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SECTION II

Weekend September 17/September 18 1994

The long road back to planet Earth

Battered and bewildered, Albania is slowly emerging from 50 years of isolation and dictatorship. David Lascelles reports

irana airport is not the best introduction to the changes which have rocked post-communist Albania in the past two years. Armed guards lounge around the perimeter under makeshift sunshades, and pill-boxes lurk sinisterly in the tall grass. The runway is bumpy, the terminal tatty.

As we drive out, I see a woman washing clothes in a ditch. The fields, parched by the sun, are enclosed by the mountains which Albania used to shut out the outside world for 50 years.

Closer to Tirana, though, signs of change multiply. Battered, but recognisably western, vehicles begin to proliferate and a huge Coca-Cola plant looms on our left. As we enter the city, the side of the road becomes a teeming bazaar of people selling car parts and piles of imported household knick-knacks. Every few yards, little kiosks with plastic tables and chairs dispense

heat. At a roundabout, the traffic, now dense with buses and lorries, barges its way forward with much hooting and revving of smoky engines. The buses, I notice, have "Region de Bruxelles" written on the side: Albania already has a reputation as Europe's "last-hand" market for anything on wheels.

The roads are lined with uniform rows of cheaply built apartment blocks. At ground floor level are shops, but many have been ahandoned: they served a planned economy which no longer exists. Business has shifted to the footpath kiosks or the new shops which people seem to erect wherever they

Our hotel, the Diplomat, is small but brand new, run up with Italian money. My room has all mod cons including a refrigerator, all of them working. I had been told that the water gets turned off several times a day in Tirana, but the hotel manages to maintain a steady supply.

We meet in the hotel café for a drink. A tall young waiter takes our order. He speaks perfect English with barely a trace of accent. He learnt it all at school, he informs us: he has never set foot outside Albama, (In later meetings, I was to ingly high educational attainments of the Albanians - one positive leg-acy, at least, of the despised communists.)

We learn more about the previous regime on the way to our first official appointment at the industry ministry. The car ride takes us up the huge eight-lane boulevard which Enver Hoxha, the former dictator, built for a country with no private cars. It runs past the pyramid-shaped mausoleum which he erected for himself; this now con-



After the years of communism, land in Albania was transferred to private hands. Now agricultural output is rising at an official 14 per cent a year. Unofficially, it's much more

The ministry occupies a large but faded Italianate building with the lemon-painted room with a long veneered table. Premier Consolidated Oilfields of the UK and Alboetrol, the Albanian state-owned oil company, sign a contract while crowds of Albanian reporters and television crews record the scene. Abdyl Xhaja, the industry minister, is handed a personal letter from Michael Heseltine, his British opposite number, and proclaims Albania's eagerness for foreign

That evening, the Albanians come

for a reception at the Diplomat; around the country; satellite dishes over canapés and French champagne. I learn more about the people, about the same size as Birmingham, squashed on the edge of the Adriatic between Yugoslavia and Greece.

It is only 21/2 years since students triggered the uprisings which finally finished off the communists. In 1992, the new Democratic party, headed by Dr Sali Berisha, was swept to power with a plan to transform Albania into a market economy. There are now more than two dozen political parties. Information, once a state monopoly, swirls

are sprouting all over the place. I am shown a picture of a man taking

The legacy of communism cannot be eradicated that easily, however. The die-hards are still around. So are the people who ran the neighbourhood spy networks which infiltrated the lives of every Albanian. Many of them got rich on the old system and have managed to pre-serve their wealth. They are now accused of fomenting unrest including, it is alleged, a recent demonstration by political prisoners of the communists who want more compensation. One of the big questions

is whether they are still powerful enough to derail the reform process. On the economic front, land,

entire bread-baking industry have been transferred to private hands; heavy industry will follow as soon as possible. There is unemployment and inflation, but not on the scale During the overthrow of commu-

nism, the crowds destroyed much of the productive economy: factories, shops, greenhouses, even trees. These shattered relics now litter the towns and countryside - a cost that Albania's tiny economy could have been spared. They even smashed

the breweries and ripped up the vineyards; Albania now has to import beer and wine.

Before dawn the following morn-Albania's oilfields, 100 miles south of Tirana. The rising sun reveals a bleached landscape which might have belonged to the 19th century. Farmers travel to the fields with horses and carts; women tend the crops with hand tools; barefooted children scamper along the roads. Bulging haystacks stand in the farmyards.

My companion tells me that, two years ago, the plain we are passing was one huge field owned by the

state farm: today, it is dozens of tiny strips. Agricultural output in Albania is rising at an official 14 per cent a year but, unofficially, it is many times that. For the first time in the country's recorded history, the peasants really own the land, not the state or the big landlords.

Everywhere there are pill-boxes, erected by the paranoid communists: little ones in clusters, big ones at strategic points, all built with the best concrete available. They drained the economy and are now abandoned - but indestructi-ble. There are said to be more than 1m of them, one for every bectare in the nation. At one point, we pass along the coast: miles of sand and waving pines, utterly unspoilt except for even more pill-boxes.

Progress on our journey is slow: horse-drawn carts congest the road, which is too narrow for easy overtaking. Many large lorries are broken down on the verge. Frustrated drivers overtake recklessly. We pass through several towns with dusty streets and raw concrete buildings. Many have brand new mosques and churches: religion is returning.

Finally, we come over the brow of a hill: there before us, stretching as far as the eye can see, is a forest of oil derricks. Greasy pools and rusting equipment defile the landscape and sheep graze in between the wells. British Petroleum discovered this field in the 1920s, the largest onshore field in Europe which, literally, sticks out of the ground in oily, sandstone outcrops

The communists exploited it for all it was worth, but lack of knowhow and spare parts brought production gradually down to a trickle. Of the 2,000 wells, only 800 are producing, some as little as a couple of barrels a day; indeed, no one is quite sure how much the field actually produces. But the good news is that the communists managed to extract only 4 per cent of the reserves. Premier Consolidated will now help Albpetrol suck out as much as possible of the rest.

We hurry back to Tirana for a meeting with Berisha. His office is in a spacious building on Hoxha's eight-lane boulevard; the new deepred flag with black eagle is fluttering outside. Armed guards salute as we swing into the drive, and a man in a bright green shiny suit ushers ing, we set off by car to visit us into a waiting room. The furniture, the doors, almost everything is covered in shiny veneer.

But Berisha's office is quite different: it is small and furnished comfortably. The president himself turns out to be a pleasant, middleaged man with a fruity voice and a pale, lightweight suit. A cardiologist by profession, he came only lately into politics and still lives in his third-floor flat at the other

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The Long View / Barry Riley

Clarke's pre-emptive strike



interest rate mythology was created this week with the first moderate. apparently unforced rise in sterling interest rates, after a period of stability, that anyone can remember. Kenneth Clarke, the Chancellor

of the Exchequer, strutted the stage on Monday, perfecting his heroic role as the far-sighted finance minister making a pre-emptive strike against the still distant but increasingly discernable ogre of rising inflation. Interest rate changes are still an excuse for drama although the Government Broker no longer stands on a bench in the stock exchange and rings a bell.

Only ghosts from the past threatened to spoil things. We are presently cursed (or blessed?) by ex-chancellors with nothing very much to do and no cabinet confidentiality to inhibit them. Norman Lamont and Nigel Lawson promptly seized their chance to burst into the newspapers with warnings that rates would soon have to be raised further. Certainly, the circumstances of the

increase were a whole lot more dignified than those of the typical rises in the past when chancellors were often forced into action by bond market collapses and foreign exchange panics. Broken, too, has been the rule of asymmetry that rates rise in whole percentage points – even two, sometimes – but decline gently in halves and quarters.

Is that break with tradition a good

thing? Lying behind the old rule was the wisdom that finance ministers have to be forced into taking politically unpleasant steps. Not that rises in interest rates ought necessarily be unpopular politically. Pensioners with a pile of building society passbooks in their cupboards positively love them. Rising interest rates should be viewed as the normal and uncontroversial consequence of a strong economy. But the view from Westminster, under pressure from the industrial and housing lobbies.

Hence the worry that anything that

rates is unlikely to be sufficient. So, we must look critically at the Treasury's suggestion that, in conditions of strong economic growth, a half-point rise in interest rates is adequate to ensure that

"we take no risks with inflation". For the British public, the domestic emphasis here is, no doubt, well-judged politically. It is more logical, however, to fit the increase into a global pattern in which US dollar interest rates have been rising for some time and some rates in Europe - in Sweden and Italy, for instance - have gone up already.

Sterling's exchange rate has been easing gently this year on a trade-weighted basis. Meanwhile, it costs the British government much more than those of the US and Germany to borrow through the bond markets (by a margin of up to 1½ percentage points) even though inflation in the UK has been lower than in those countries for the past two years and is quite likely to remain lower - certainly than in the US and possibly than in Germany, where monetary growth has been excessive. Britain's inflationary past still imposes a price; so there was a need to send out a message of prudence.

n itself, though, a half-point rise in rates is trivial, apart from its impact on sentiment, In this connection, the Halifax building society was extremely unwise to be so hostile to the threatened rise a week ago. It should have said that a moderate increase, in the context of a strong economy, would pose no threat to house prices. As it is, some buyers may now be discouraged unnecessarily. In the 1980s, however, mortgage rates were often much higher than they are now, without plunging the housing market into decline. The housing market has problems, but the cost of mortgages is not yet one of them.

Will sterling benefit? A strong currency reduces imported inflation from rising commodity prices. Sterling has indeed risen a little this week. But the Italian and Swedish currencies have lost much of what they gained from the

new chapter of chancellors do voluntarily on interest August interest rate increases. And consider the impact of the collapse this year of the gap between US and German short-term interest rates from over

3 per cent to about ½ per cent. Such a relative shift, which was expected widely, was supposed to make the dollar attractive at the beginning of the year, according to widespread opin-ion in the markets. That has turned out to be quite wrong: in fact, the D-Mark has risen by 13 per cent against the dollar so far in 1994. Two of this year's strongest currencies, the Japanese yen and the Swiss franc, have the lowest interest rates. You cannot strengthen the currency by raising short-term interest rates; but if you have a strong currency, you can cut them.

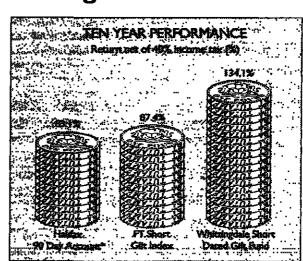
If this sounds odd, remember that much of the money flowing around the world today travels through the securities markets: we have long-term hot money, if that is not an oxymoron, rather than the overwhelmingly short-term money market flows of the 1960s and 1970s. Note that the bond market interest rate differential has actually shifted in Germany's favour this year by nearly 1/2 per cent, the opposite to what has happened in the short-term markets.

As for the UK, the sterling 10-year bond interest rate has jumped by 21/4 percentage points this year but there have been no newspaper headlines and no industrial lobbyists have besieged the Treasury on the subject. Clarke does not pretend to set the bond yield as he pretends to set the short-term interest rate.

So, are short-term interest rates irrelevant? Not quite, but it took very large rises late in the 1980s to choke off the boom. Lawson added a cool 61/2 points in under a year and his successor, John Major, one more point on top for luck. The rises burst the housing market bubble and deflated the consumer boom. The Halifax certainly had reason to be worried then.

As the Chinese say, and Lawson knows, the longest journey begins with a single step. But, so far, this is just a

8.9% P.A. OVER TEN YEARS net of higher rate income tax



Whittingdale - The Gilt-Edged Experts

Over the 10 year period, the Whittingdale Short Dated Gilt Fund would have returned £5,100 more than a Building Society Account for a £10,000 investment.

Please remember that past performance is not necessarily a guide to future returns and that the price of units and the income from them are not guaranteed and can go down as well as up.

If you require further information on our range of unit trusts, please call us on 071 600 0462,



All performance is to the 17994 and his been calculated offer to bid jafter all charges) with income reinvested net of income tax at 40%.

Over 5 years, the Short Dated Gift Fund, an authorized and trust, has given a net return of 45,2%. Tax rates and reliefs are dependent on the individual's encurrences and are subject to charge. No allowance has been made for capital gams tax. Whitingdale Unit Trust Management Limited is a Member of 8190 and LACTPO Virtuingdale Limited is a Member of 8190. "Source, HSW Limited."

London Clarke's move leaves dealers guessing

Andrew Bolger

ell, he finally did it. The age-point increase in announced on Monday by Kenneth Clarke, the chancellor, was the first rise in UK interest rates for nearly five years.

This assumes, of course, that memory casts a discreet veil over the two panic increases in base rates announced almost exactly two years ago, on September 16 - the day Britain was pushed out of the European exchange rate mechanism by the weight of international speculation against the pound. On that fateful Wednesday -Black or White now, according to personal taste - rates were pushed up from 10 per cent to first 12 and then 15 per cent, before Clarke's predecessor, Norman Lamont, admitted

The fall in interest rates to 6 per cent over the following four months, and the substantial devaluation of sterling. fuelled a 1,200-point rally in the

3065.1

3616.1

75

183

383

213

299

142

123

350

773

246

730

-74.2

-119.9

~43%

-28

-45

-30

+29

+13

-28

-38

-35

-15

-32

FT-SE 100 Index

Barratt Devs

Calor Group

Fairey Group

Midlands Elec

Warburg (SG)

Berkeley Group

Bienhelm Group

Country Casua

FT-SE Mid 250 Index

FT-SE 100 which only peaked February this year, when the index touched 3,491.5. This week's confirmation

that the UK interest rate cycle has finally turned upwards received a much more muted and uncertain response from equity market than Britain's escape from the deflationary shackles of the ERM. Partly this was because

Clarke wrong-footed traders. When the previous week's meeting between the chancellor and Eddie George, Governor of the Bank of England, passed off without an announcement, the City assumed that base rates would not increase before next month at the earliest.

Clarke said he had decided to raise rates "to take no risks with inflation" at a time of strong economic growth. No one can remember when a UK government last tightened monetary conditions while retail price inflation is subdued. Underlying inflation, at 2.2 per cent in July, was at a

HIGHLIGHTS OF THE WEEK

Low

2876.6

3363.4

383

261

108

133

3341/2

350

547

229

676

Base rate rise

Base rate rise

Base rate rise

Base rate rise

Profits warning

Base rate rise

Turbulent markets

Disaccounting interime

Excellent interim figures

Better than expected interims

213 Profits warning

1994 High

3520.3

4152.8

138

292

573

402

375

170

158

402

157

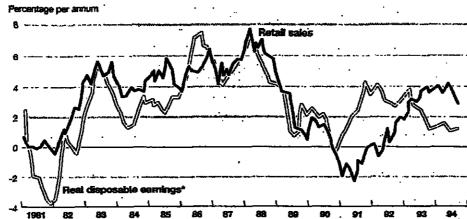
435

840

379%

1012

Retail sales: losing support



The chancellor said he was looking 12 to 18 months ahead and was determined to keep the recovery healthy and lasting. This was well received on Monday and the FT-SE 100 made up more than half an early 25-point loss to finish 10.5 points down at 3,128.8.

The chancellor's move lost some its shine on Wednesday. A jump in August's inflation figures and an unexpectedly sharp drop in unemployment raised suspicions that the base rate cut was not nearly as farsighted and pre-emptive_as Clarke had suggested. The prospect of the need for further base rate increases prompted a sharp decline in share and bond prices, with the FT-SE 100 falling 41.6 points to close the day at 3,079.8.

The market recovered 32.9 points on Thursday, when news of a drop in retail sales last month allayed concerns

that another base rate increase would soon be nec arv. But the FT-SE 100 again lost ound yesterday when a surge in US production and capacity utilisation figures triggered talk of an imminent increase in US interest rates. One reason for investors

erratic response is growing unease about the relative valuation of equities, compared with gilts. The ratio of bond to equity yields in the UK is at a historically high 2.3 times. That can be justified only so long as companies deliver strong growth in earnings and dividends, which may become more difficult now that Clarke has started to apply the brakes to the economic recovery however gently.

ew industrialists think a half-percentage-point increase will make a crucial difference in the long run, but the effect on sentiment could be significant. The 0.3 per cent drop in retail sales between July and August shows that fragile. The chart illustrates one reason: the increase in average earnings, adjusted for increased taxes and prices, has been lagging behind the growth in retail sales since

One of the UK's largest retail groups, Kingfisher - which includes B&Q, Comet, Superdrug and Woolworths - this week reported a 7.4 per cent increase in pre-tax profits but admitted the results were less than satisfactory. Sir Geoffrey Mulcahy, chairman, said he remained cautious about UK

Alan Smith, chief executive, said Kingfisher's priorities

were to improve ranges, value for money and service. Costcutting would continue and some job losses would result. He said it would take time to implement Kingfisher's Everyday Low Pricing strategy manently lower prices, leading to higher sales and profits

throughout the group. Such an approach may bode well for the inflation outlook, but it is not an easy environ-ment for companies to make money in. APV, the food processing equipment specialist, said the threat to profits margins been increased by the pressure which retailers in Europe and the US are putting on the group's main customers, the leading food processors.

The chancellor is clearly determined to avoid having to choke off an overheating economy in the run-up to the next election. He has therefore signalled his intention to keep control of inflation - even if that entails some risk of slowing the recovery

With the peak of the interim reporting season passed, analysts will have fewer indications of how companies are coping in this new world of rising raw material prices, reluctant consumers and squeezed profit margins.

Yesterday's concern over a possible increase in US interest rates took the FT-SE 100 down 47.6 points to close the week

Some analysts are still sticking with year-end forecasts of up to 3,500, but those now look extremely ambitious. Brokers still expect strong dividend growth over the next comple of years, but equities are unlikely o advance much until the turbulence in the international bonds market calms.

Serious Money

Traps that investors cannot understand

Gillian O'Connor, personal finance editor

querading as a science. The City is packed with analysts trying to crunch numbers into smaller pieces than their com-petitors. But personal investors hoping that a single key statistic can open the door to stock market riches are set for disillusionment. Most investment decisions are complex and still have a strong subjective element to them.

What is more, many of the numbers themselves are surprisingly open to question. This week, for example, a new study examined one puzzle: why was the price/earnings ratio on the FT-SE-A All-Share index in August more than 3 percentage points higher than stockbrokers' p/e estimates? Most of the discrepancy was explained by differences in the ways the two groups calculate the figures. Especially interesting, though, was why their chosen methods varied. They

were trying to measure slightly different things for very differ-The FT indices are intended to measure what actually hap-pened, in the most objective way possible. They look back and aim to provide a yardstick of historical performance. Their p/e ratios are based on the latest 12 months' earnings (that is, the two latest half-

years added together). And

they make relatively few adjustments to companies reported figures Stockbrokers' p/e ratios are based on the forecasts by their analysts of the earnings companies will report in the pres ent year. They relate to a later time period than the FT's. And since this period is in the

future, the earnings figures are, necessarily, subjective What is more, the analysts' main interest is not so much what profits companies will report but their underlying profitability. So, if company

accounts contain unusual

items depressing or inflating

the reported profits and earn- ther, though: it ranks funds ings, the analysts tend to remove them.

This is because their job is to tell their clients which shares look cheap or expensive - and a company's future earnings potential is one of the major considerations in share assess-

Thus a company which appears as an actual lossmaker to the FT's recording angel can be turned into a magnificent recovery stock at the flick of an analyst's calcu-

Which approach is right? Both are - on their own terms. And both can be useful to the intelligent investor if he understands their function. Problems arise when investors expect too much, or misunderstand the raison d'être, of any statistic (and all profes agree that even forward-looking p/e ratios are only one factor to consider in valuing a share). Such problems can be expensive, particularly when a historic measurement is

onsider unit trust performance measurement. Analysts agree that conventional performance tables are no use in predicting which trusts will do well in future. The two main UK fund mea surement services, Micropal and HSW, are both now calculating volatility figures as well: these tell you not just where a fund got to over a certain

period, but how erratic its

progress was. They are

signed to measure risk. Both firms also produce figures which combine risk rating with performance measurement to give a risk-adjusted rate of return: a common enough statistic. A fund with an outstanding performance, which is also very volatile, might score the same as a less volatile fund with a worse per-

Micropal goes one step fur-

within a particular sector and awards them star ratings of one to five according to their risk adjusted performance. This is where its service starts to get contentious. Experience suggests that investors presented with five-star funds and one-star funds will tend to buy the former because they expect them to do better in future.

Micropal makes no such claims, and is at pains to point out that investors need to look at all the figures rather than home in on the star rating. But at least some professional investors in the UK worry that risk-adjusted figures are posi-tively misleading if used as a guide to future performance and that making them the basis of a star system is to invite misuse

In the US, the best known fund rating service, Morningstar, has its own system for awarding star ratings. Earlier this year, a study showed that funds rated five-star by Morningstar performed indifferently thereafter. But stars glitter – particularly in the eyes of

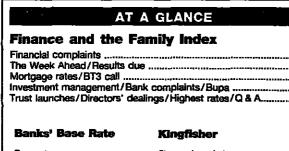
marketing men... Wiseheads will mutter "caveat emptor". But how can the ordinary investor be expected to avoid a trap he cannot understand?

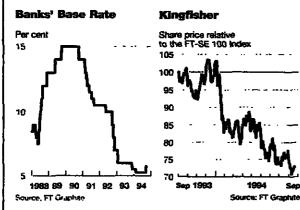
The call for the final instalment of BT3 (see page V) raises one crucial question: is BT

itself worth holding? The outlook for the telecom munications giant should be better than its recent past suggests. The shares have done substantially worse than the stock market as a whole since late 1993. In part, this is because analysts have been impressed too much by its domestic competitors, and too little by BT's existing strength, resilience at home and international potential.

BT is a riskier investment than it used to be, but the shares look fair value.

₫,





Chancellor raises base rates by half a point

Kenneth Clarke, the chancellor, moved to nip inflation in the bud this work by raising base rates by half a point to 5.75 per cent. The last rate change before that was a quarter-point cut to 5.25 per cent in February.
Clarke said he decided to raise rates on Monday "to take no

risks with inflation" at a time of strong economic growth, Some business organisations criticised the move, but the market's initial reaction was relatively favourable. However, the announcement on Thursday that retail sales had

lailen in August prompted questions over whether the chancellor had acted prematurely. For mortgage rates, see Page V.

Kingfisher disappoints

Kingfisher, the UK retailing group which includes BQ. Comet, Superdrug. Woolworths, and France's Darty, this week disappointed the market in spite of announcing a 7.4 per cent increase in interim pre-tax profits from £82m to £88.1m. The increase - at the bottom end of forecasts - was more than accounted for by a rise from £16.1m to £35.7m in profits contribution from Darty, acquired by Kingfisher only two months before the end of the first half last year. Excluding Darty from both years, retail operating profits fell from £57.5m to £47.7m.

Expiry date for warrants

Holders of warrants in Templeton Emerging Markets Investment Trust (Ternit) have less than two weeks to sell or exercise their warrants before they expire. The warrants, carrying the right to buy Temit shares at £1.27 by September 30 this year, were issued in a March 1930 rights issue, as part of a package of five shares and 2.19 warrants, priced at £6.33 for the package. The shares were trading this week at £4.185, and the warrants at £2.93, making a total of £27.34 for the original package. If warrant holders do not act before September 30, the warrants will be exercised on their behalf, the resulting shares sold, and the proceeds returned to the warrant holders, less costs. If holders do not exercise the warrants themselves, they will miss out on a bonus issue of new shares and warrants.

Smaller companies setback

Smaller company shares suffered a setback this week. The Hoare Govett Smaller Companies Index (capital gains version) tell 1.5 per cent to 1688.65 over the week to September 15.

Next week's family finance

Personal pension plans vary enormously, particularly as regards their costs. Next week we report on a major survey of the personal pensions market.

Wall Street

Dow wobbles on its erratic flightpath

week. Just before 2am on Monday morning, a small red and white Cessna 150, apparently on a suicide mission, glided through the sky towards the White House in Washington DC, bounced off the South Lawn, crashed through the branches of a magnolia tree, and came to rest in a crumpled heap beneath President Clinton's hedroom window.

As it happened, Bill Clinton was not at home. But if the United States of America could not protect the bedroom of its president from airborne attacks by deranged Maryland truck drivers, insestors might have felt entitled to ask, what chance did it stand of successfully managing the economy?

Just the Friday before, Wall

Street's late summer rally had been abruptly halted by the publication of figures showing a bigger-than-expected rise in the producer prices index. The inference drawn was that, in spite of five increases in interest rates in the last seven months, the Federal Reserve had failed in its efforts to nip inflation in the bud. Stocks plunged on fears that more

roperty shares outper-

formed the wider equity market by

almost 50 per cent last

year, so the sector was due to catch its breath. Its slight

underperformance in the first

half of the year appeared to be just such a pause. Yet the sec-

tor's 6 per cent slide over the

last two weeks - bringing its

underperformance since the

middle of July to around 10 per

cent - looks like a more seri-

The key to this sudden disil-

lusionment lies with the split

personality of commercial

property as a financial asset.

When rents are rising property

has a lot in common with equi-

ties. Rising rental income

drives capital values higher.

just as dividend growth drives

share prices, making property

an effective hedge against

Thanks to the practice of

long-term leases with upwards-

only rent reviews, though,

property provides its owners

with a fixed income even when

rents are falling. Under these

circumstances it has much

The bond-like nature of prop-

more in common with bonds.

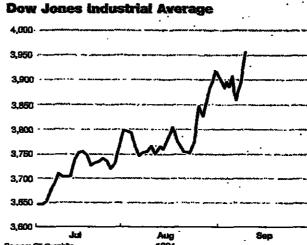
ous loss of wind.

would be needed to put the economy back on track, so dampening economic growth. and with it, company profits. Traders were therefore in a jittery mood when the market

opened this week. Up till the previous Friday, most economists had thought the Fed November before contemplating any further credit tightenings. Now, they feared the next increase in interest rates could be bigger and earlier. Not even the announcement of yet another mega-merger -

a \$2bn bid by Kohlberg Kravis Roberts, the Wall Street investment firm, for Borden. the struggling US food group was enough to raise investors spirits, and prices drifted lower as the market waited in nervous anticipation of more bad news on inflation from Tuesday's release of consumer price data for August.

The bad news, however, failed to arrive. In fact, when the figures for consumer prices came out, the index was up by only 0.3 per cent, a fig-ure that compared favourably with the consensus forecast:



and as investors breathed a ditions from a regional Fedcollective sigh of relief, the Dow Jones industrial average performed a smart about-turn,

rising more than 19 points. The same thing happened on Wednesday, when figures showing a lower-than-expected increase in August retail sales further damped inflation fears and lifted the Dow Jones index 15 points. And on Thursday, when a survey of business con-

UK property

eral Reserve Bank brought more good news on inflation, sending the Dow index up nearly 60 points to its highest

But it was too good to last. Market sentiment is these days so fragile that it only takes a little bad news to trigger a wave of selling. On Friday morning, that

since February 3.

stronger-than-expected figures for August industrial production and capacity utilisation. Suddenly, the market was in flight again: by midday yesterday, as this column went to press, the Dow was down \$3.98 at 3919.9. Such fickleness continues to

leave investors without any clear lead on the market's direction. Some would like to believe that the US economy has now reached an ideal state in which growth is strong enough to support profit increases but not so strong as to trigger a pick-up in

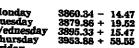
Salomon Brothers, the Wall Street investment bank, calls this the Goldilocks economy one in which the bears are kept at bay - but in the same breath dismisses the scenario as a fairy tale, warning that the market is overvalued and set to plunge by 10-12 per cent. Why the gloom? Salomon points out that, in spite of recent hiccups, the market is now as high as it was at the beginning of the year - vet interest rates are already higher than they were in January, and are set to go higher

still. And although the current wave of merger mania in the US may be bullish for stock prices, surges in merger activity have historically been associated with market tops, not market bottoms: witness the late 1920s, late 1960s and mid

If that were not bearish enough, it also emerged this week that former football star and television personality O.J. Simpson had quietly been cashing in more than \$500,000 worth of his shareholdings.

Simpson may stand accused of the gory double murder of his former wife. Nicole Brown, and her friend, Ronald Goodman, and probably needs the money for his legal expenses: but it is an ill omen when one of the best-known figures in US popular culture starts pulling out of the stock market. Investors can only hope that his function as a role model is somewhat less than it was.

Richard Tomkins



Bottom Line

Property shares lost in space

erty worked to its advantage last year. Property yields fell in line with bond yields, which meant that values rose even though rents were still falling. But for property values to detach from bonds investors have to believe that rents are going to rise. Optimism on this score was enough to keep values stable through the first half of this year in spite of

turmoil in the bond markets. The snag is that optimism about rental growth now looks misplaced. In January most stockbrokers assumed that rents would be rising across all types of commercial property by the end of the year. Yet up to the end of August rents were either falling or flat.

The upturn in rents looks unlikely to come until the middle of next year. Against that background the property market looks becalmed. If bond yields are reasonably

FT-SE-A Property sector relative to the FT-SE-A All-Share Index

stable there is no reason why commercial property values should actually fall. Rents are bound to rise as economic recovery takes hold and businesses start to expand. But that prospect is too far distant were forecast to rise by anything up to 15 per cent both to justify pushing values this year and next. The out-

Property company shares have suffered twice over. Net asset values (the amount which could, in theory, be raised if the company was broken up and its assets sold)

come this year looks likely to be more like 8 per cent. Forecasts for 1995 now range from 6 per cent to 12 per cent. Moreover, shares were

already expensive when measured against the value of their underlying assets. Before the recent slide the sector stood at a discount of 7 per cent per cent to net assets. With no immediate prospect of rising rents and property prices, that rating became impossible to justify.

Even now the sector is hardly cheap. The discount to net assets has widened to around 13 per cent, but that compares to a long-term average of 20 per cent. Since the upswing of the property cycle is still in its early stages, shares might be expected to trade at a narrower discount than the average. But they will have to fall further before bar-

"The outlook for capital and rental growth has got a lot duller over the summer," said Chris Turner, analyst at BZW.
"Under those circumstances the shares are just not cheap enough to encourage buyers." Even when rents start to rise

the benefits will not be spread evenly across all types of commercial property. Modern office space is already in short supply and should perform well. Yet there is an overhang of older offices which could take years to let. Retail warehouses are in demand but there are plenty of empty high street shops.

Property companies which own new portfolios and manage their assets energetically are most likely to flourish. The stock market has already realised as much. Even now Pillar and Argent, two of the sector favourites, trade at around net asset value,

Alec Pelmore, analyst at Kleinwort Benson, said: "if the property markets is not helping, it is the ability of management to add value to their assets which really counts."

Simon London

FINANCE AND THE FAMILY



I really hate to complain, but

So you think you've had a raw deal but don't know what to do. Debbie Harrison provides a guide

you think you have a problem about an investment, pension or life assurance product, you need first to find out to whom - or what - you should complain. Unfortunately this is no easy task during the present regulatory shake-out.

The Personal Investment Authority (PIA) has taken over from Fimbra, the regulatory body for advisers, and Lautro, which regulated life offices and unit trust groups. During the transition, you could end up dealing with any of them.

Complaints about company pensions are tackled by the Occupational Pensions Advi-Service (Opas), but several ombudsmen continue to squabble over territorial rights for personal pensions. The box below provides contact details and telephone helplines for bemused investors.

Second, you should consider if your grievances are justified or simply a case of bad luck. The following common complaints received by regulators and ombudsmen will help you assess the merits of your case 1. I don't know which prod-

act to choose. Nor do the regulators and ombudsman. Their job is to correct mistakes and deliberate mis-selling - not to give investment advice.

2. The benefits are abysmal. Provided you knew what they were at the start, and the provider or trustees were/are act ing in accordance with the scheme or plan rules, there is nothing you can do about it (but see point 4).
3. The investment returns

are poor. The likely response to this is "tough", assuming you understood the nature of the risks when you took out the plan. If you did not, see point 4. If you think your fund was miscalculated, see point 6. 4. The investment is unsuit-

able. You are on better ground here. Salesmen must examine your financial circumstances and requirements before recommending an investment product. They must also ensure you understand its nature and associated risks. If your adviser failed to do this, you should complain.

Moreover, you should not your case stays confidential. your investment is covered. If investment trust savings lose out by abandoning an existing arrangement in favour of a new product. An adviser almost certainly is mis-selling if, for example, he recommends a pension transfer plan to replace a good company pen-

sìon scheme. 5. The charges are outrageous. Find out what they are before you sign up. Until January 1995, providers are not obliged to reveal their true charges, but good advisers are doing so now. Ask how much commission the adviser will make on the sale, since this will eat into your fund in the early years.

6. The sums do not add up Always query a significant shortfall, since this might be a simple miscalculation. Early retirement pensions are classic cases. But the final pay-out on a unit-linked or with-profits endowment, for example. might be less than expected if the markets have performed poorly in the period between your last statement and the date the plan matures. The provider/adviser should have explained the risks at the outset (see point 3).

7. Something fishy is going on. Fraud and malpractice do occur - for instance, where the salesman or adviser has not passed on your premiums to the provider, or where the employer has deducted your pension contributions from sent them to the pension scheme. If you suspect this is happening, contact the regula-

tors immediately. 8. I've only just found out...and the complaint relates to an event five years ago. You could be out of luck here. The pensions ombudsman, for example, usually slaps a three-year time limit on eligible cases so, if you suspect skulduggery or plain incompetence, act quickly. The PIA handles only cases that arose

after April 29 1988. The matter is confidential.You might be saving for early retirement and do not want your employer to know - or saving for divorce and don't want your spouse to know. Whatever the circumstances

What to say

Your complaint stands a much greater chance of being taken seriously if you have prepared your case well and can show you have done all you can. The regulators and

ombudsmen suggest the following tips: Write first to the compliance officer at the company that sold the product (in the case of an investment product) or to the trustees (for a company pension scheme). State clearly the nature of

the complaint. ■ Give clear contact details, including daytime telephone

Provide the name of the investment or product, the date you took it out, and the name of the salesman (if

relevant). ■ Quote all relevant policy and reference numbers. ■ Photocopy letters and supporting material. ■ Impose a deadline for the

reply. You should receive an acknowledgement of your letter within seven days, but allow two months for the actual investigation before proceeding to the regulator or ombudsman.

■ Check to see if there is a consumer action group that is co-ordinating complaints. (See The Jordans' experience).

personal pension or investment, call the PIA consumer belpline (071-538 8860) or the central register of the Securities and Investments Board (SIB), the industry's chief regulator (071-929 3652). For company and personal pensions, telephone Opas (07)-233 8080). Personal investment Authority: Hertsmere House, Hertsmere Road, London E14 4AB, tel; 071-538 8860 (this is also the number for the helpline), fax 895 8579. The PIA can direct complaints to Fimbra and Lautro if necessary.

🗔 PIA ombudsman: 1 London Wall. London EC2Y 5EA (071-600 3858, fax 600 4727). C Occupational Pensions Advisory Service (Opas): first, contact your local Citizens Advice Bureau. Opas is at 11 Belgrave Road, Lundon SWIV IRB (071-233 8080, fax 233 8016).

Pensions ombudsman enquiries should first go via Opas. The ombudsman is at

[ax 401 8700). Building society ombuds-

🗆 Investment ombudsman: Complaints must go through Imro. Broadwalk House, 6 Appold Street, London EC2A

Bunhill Row, London ECIY SRA (071-638 1240, fax 382 5900).

10. My triend has a problem...but he is too nervous/ill/ old to complain himself. You can act on behalf of relatives and friends provided you explain the position clearly to the regulator or ombudsman. You should check whether-

you are not sure, use one of the enquiry numbers in "Where to go" on this page. The PIA handles life assurance (including endowment policies), personal pensions, unit trusts, personal equity plans, guaranteed income bonds.

schemes, offshore funds (eg, gilt and bond funds), share dealing, portfolio management. broker funds, business expansion and enterprise investment schemes, and traded options In some cases, you could be referred to the investment

ombudsman via the Investment Managers' Regulatory Organisation (Imro), the overseer for investment managers, or to one of the other regulators. Company pensions and certain aspects of personal pen-sions are covered by Opas and the pensions ombudsman.



The Jordans' experience

Kenneth and Dilys Jordan discovered, to their dismay, that even where you follow the complaints procedure to the letter, things may not go smoothly. Their complaint. adviser Knight Williams, is still under consideration after

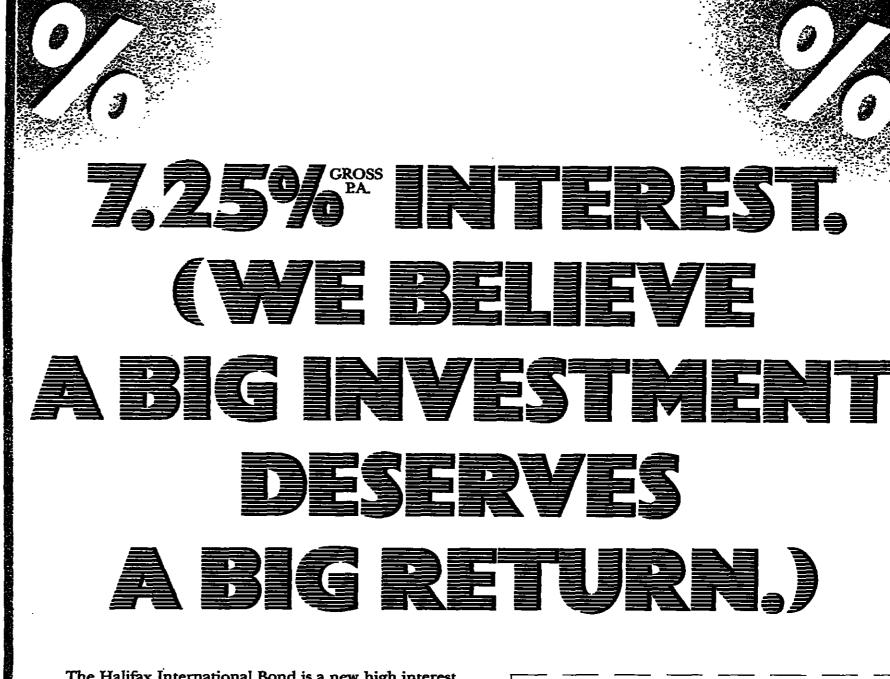
In February this year, the Jordans set up the Knight Wil-liams investors' action group and face the latest in a series of meeting with regulators when they meet SIB, the chief watchdog, on Thursday. Jordan says: "The process of complaint is daunting in the extreme, and few have the energy or resources to pursue

He talks calmly about verbal complaints and written complaints to the local adviser's office, then the same details repeated to the company's headquarters, followed by endless rounds with Fimbra and its arbitration system.

"Persistence may convince Fimbra that there is a case for arbitration, in which case they send a leaflet explaining that the complainant has to submit two copies of all relevant docu-

mentation," says Jordan. He adds: "In some cases, this might involve searching through documentation as thick as a telephone directory and selecting what one feels is apposite, without any assis-

Dilvs Jordan feels that retired investors often do not have the resources and experience to present a businesslike case – bence the reason for the action group.



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For full details of the Halifax International Bond, please complete
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Halifax International (Jersey) Limited, PO Box 664, Halifax House, 31-33 New Street, St Helier, Jersey, Channel Islands JE4 8YZ.
31-03 New Successi Heller, Jersey, Chamiler Blands Je 7 612.

Title (Mr/Mrs/Miss/Ms)_____ Address_____

Country___ Nationality: □UK National, or □Other. (Please specify).

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> the same address (071-834 9144, fax 821 0065). ☐ Insurance ombudsman: City Gate One, 135 Park Street, London SE1 9EA (tel: 071-928 7600.

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FINANCE AND THE FAMILY

The Week Ahead

Better viewing at

MONDAY: MAI, the money broker and television group, is expected to reveal pre-tax profits of between £88m and £109m for the year to June, against £80.2m last time. It will be the first period including results from Anglia

Television. The tax charge is set to rise from 37 to 44 per cent, causing a fall in earning per share.

The dividend is likely to rise from 6.9p to between 7.25p and

TUESDAY: A spread of businesses which includes retail and industrial logistics. business mail and chemical distribution makes Hays, the business services group, a good indicator of the pace of economic recovery. It is expected to report

annual pre-tax profits up from £86.6m to about £86m, helped by a strong rebound in performance from its network of personnel recruitment

TUESDAY: Tesco, the UK's second-largest food retailer, is expected to announce an increase in interim pre-tax profits to about £247m (from 235m last year), adjusting for

t might have been a bad

day for their company's

shares, but directors at

DRS Data Research Services spotted a golden opportu-

nity when prices in the scanning equipment producer

On Tuesday, the shares fell 56p to 40p after the Milton Keynez-based company warned

that uncertainty in education,

its biggest market, had led to

lower than expected sales. But

after coming to market at 110p in a placing in May, the com-

pany's shares represented

good value to at least two DRS

plunged by 58 per cent.

new depreciation policies and before £4m property losses.

Some recovery in margins is expected but uncertainty about the extent of this, and over the fortunes of the Catteau chain in France, is reflected in the wide range of forecasts – from £240m to £252m

WEDNESDAY: Half-year figures for British Aerospace will show a dramatic turn-round from last year. But much of the headline improvement will come from the one-off profit on the sale of the Rover car group to BMW.

This is estimated by some analysts to be in the region of

Underlying profits are likely to be in the region of £70m, up from £20m in the first half of performance from the defence operations will be held back once again by losses in BAe's turbo-prop commercial aircraft

The dividend might also be increased from an interim 3.3p last time to around 3.75p. THURSDAY: Wm Morrison the regional grocery superstore group, is forecast to announce an 18 per cent increase in

Croker, acquired 46,000 at 43p

to increase her holding to

By coincidence, the same

day saw managing director Malcolm Brighton make a gift

of 353,751 shares to the Milton

Keynes Community Trust,

which offers grants to local charities. He added that he

would soon be buying more

shares at what he called the

"silly low prices" to add to his

DRS supplies scanners to

capture hand-written data,

such as ticks on multiple

choice forms, for processing by

computers. Turnover for the

28 weeks to July 15 fell from

£6.87m to £5.76m as sales to

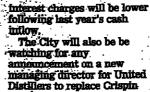
38 per cent holding of 13.5m.

51,400.



£38.2m about £45m. Analysts believe the group has had strong sales growth, with some improvement in margins.
THURSDAY: Guinness, the brewing and spirits group, is expected to report pre-tax profits of around £320m for the first half. Last year's result, published at £320m, will be re-stated at £305m to allow for an increase in pension

contributions. Operating profits from both spirits and brewing are expected to be fairly flat, but



year ago.
THURSDAY: RMC, the world's biggest concrete company, reports half-year figures which are expected to show a sharp rise in UK profits. The market, however, will be more interested to hear if the heady pace of German growth has

Davis, who resigned almost a

Latest forecasts sugge pre-tax profits could be just over £90m. compared with £61.6m in the first half of 1993. FRIDAY: Hepworth, the clay pipes and refractories group, is expected to report pre-tax profits of about £35.5m in the first half of 1994, compared with £27.5m

Analysts will be looking for the effects of stiff eastern German competition, while the group also could reveal akness in the clay pipes market. The dividend is likely to be unchanged at 5.5p.

RESULTS DUE

PRELIMINARY RESULTS (1.510) 4.9 (4.2) 1.8 (1.886) (4.010) 14.1 (12.9) 2.8 (2.3) (2.5) (2.5) 7.8 (2.8) (2.5) 7.8 (2.8) 7.25 (2.8) 7.25 (1.96) 2.8 (2.3) (1.50) 19.8 (15.3) 4.5 (5.3) (1.5) (1.5) (1.2) (1.5) (1.2) (1.5) (1.2) (1 1,830 4,620 5,000 3,780 2,130 1,200 11,050 120,100 8,560 8,780 1,100 2,550 4,280 2,270 323 1,630 1,110 62.1 8,520 20,600 17.4 5,570 (1.4) (1.4) (1.4) (1.4) (1.4) (1.2) (1.2) (7.4) (8.8) (11.9) (272) 1.9 (1 390) 15.6 (3,000) 14.0 (391) 6.0 (22.1) 0.56 (4,820) 6.3 17,100) 8.83 (18.4) 42.49 (5,730) 6.9 A 2.83 .44 42.40 (57 .730, 6.9 (53 51.82 (4,120) 5.87 (1,220, 17 (47)

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The following day, Stragt Henderson bought 50,000 at 40p, a holding of 0.14 per cent, schools, which account for 70 through Jasmine Trustees, a er cent of turnover, dropped Berkshire RG7 6AR trust of which he is the sole by 14 per cent. beneficiary. Amanda Croker, Tel: 0734 744203 Richard Wolffe the wife of director Patrick

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Bryset GroupBC Tuesday	1.4	3.4	1.4
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WigginsB&C Friday BITTENIE DryppenDS	-		-
Alphe Almosts Group	·	- . •	
Andernen Regorces	0.5	1.15	•
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Bunkara knestment Trust	0.97	0.97	-
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BSM GroupSpSv Monday Bestwee CorpPP&P Monday	4.8	7.45	-
Bodycote International Eng Tuesday	20	3.25	-
Brain Bros	1.88 · 2.0	5.03 4.82	-
Britannis Group	1.75	2.85	-
British Aerospace	3.8	5.0	-
Chelefield Prop Wednesday	· . <u>-</u>		-
Degecham MotorsDist Thursday DencorsProp Wednesday	1.75	4.5 3.8	-
Dinkle HeefText. Monday Dragon OilOEE Wednesday	0.5	0.9 .	:
Edinburgh Fund ManageraOffn Monday	6.0	16.0	-
Fact (E W)SupS Thursday	. 1.76	2.98	:
Ferry Picturing GroupPPSP Monday FitzedRonRetF Wednesday	2.1	3.525	:
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Glasgow Income TrustFdNr Tuesday* Golden ValeFdNa Wednesday	<u> 76</u>	0.6	-
Rampden Group	3.62	9.18	:
Hay (Hornan) Eng Fiday Headless Group Olst Thursday	0.85	285	<u>-</u> .
HepworthBdMs Friday	5.5	9.35	-
Holt GosephSrew Thursday	1.9 11.0	3.3 37,0	-
intLinvest Treat Co Jersey Offin Friday ISA International	0.55	1.1	:
leie of Mars Steems PecketTren Mondey levery & Sime Optimum Inc.TstinTr Wednesday!!	3.5	7.5	.=
Nory & Sime Optimus Inc.Tstinit	· <u>-</u>	:	
Janes Gralin	33	4.8	:
Jerome (S) & Sors	0.2 11.0	0.3 37.0	-
Jore Investment TrustinTr Friday Kisin Kellesn/2 Thursday	-	1	:
Laporta	7.4 1.3	13.3	-
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Matthews (Bernard)FcMs. Tuesday	1.1	1.4	:
McAlpine (Alfred)BBC Thursday More O'FerraliMed Ussaciay	. :	3.5	:
Morrison (WM) SupermericateRetif Thursday	· 5.75 0.2	6.85 0.8	:
Nelson Hurst Ins Tuesday Nercor Hidge PP&P Thursday	=	-	:
PitterdsText Wednesday	-	1.0	
RPHn/s Tuesday	6.6	14,4	:
River & Merc.Amer.Cap & In.Ty_InTr Tuesday		0.5	-
Restore Group	0.66	1,74	
Sected Renources PicTren Wednesday Secure Treat GroupOffn Tuesday	4.5	10.5	-
Sentry Ferming GroupFdb/s Tuesday	-	2.25	
Spirat-Surco Engineering	2.1 3.3	. 4.9 6.6	-
Steel Burth Jonesins Wednesday Friday	8.0	6.0	-
Teers ReGn Tuesday Tibbett & Britten Group Tran Wednesday	2.45 4.5	5.3 9.7	
Tithury DouglesB&C Wednesday	10.5	22.5	-
TTDM Toursday	2.5 2.5	5.5 4.0	-
Turopyle Group Eng Monday Usited Newspapers Med Thursday	7.5	14.5	-
WakehourneERFE Monday WassellDM Treedey	1.0	24	:
W.M. Morrison SupermerketsReFd Thursday	02 6.8	0.8	-
Wolsterholme Filmk Chem Tuesday	.0.5	11 <u>.2</u>	•

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Dividends are shown not pence per share and are adjusted for any intervening scrip less sports and accounts are not normally available until about 6 weeks after the board meeting pprove preliminary results. \$\frac{1}{2}\$ 1st quarterly. \(\psi\) 2nd quarterly. \(\psi\) 3nd Quarterly

RIGHTS ISSUES World of Leather is to mise 22.8m via a 1 = 2 at 75p rights issue of 4.02m she Anthonesis Inn. of

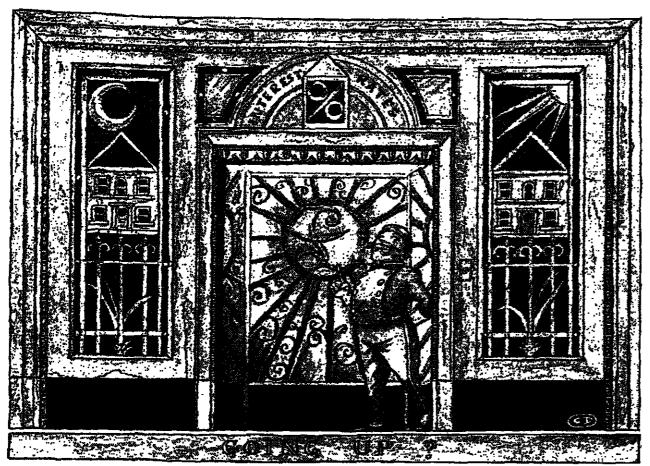
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chik Gold is to mice \$25.1m via a conditional pla succen progress. Bonnes le to raine up to Efire vie e placin ledependent Perts Group is to raise £7.8m vis a placing of 7.15m shares. IDD is to raise £70-80m vis a placing and other. **特性**共享 15

FINANCE AND THE FAMILY



Lenders take flight

Interest rate rise hits fixed mortgages, reports Debbie Harrison

ixed-rate mortgage offers were withdrawn by the score this week as lenders reacted to the 0.5 per cent increase to the base rate announced on Monday by Kenneth Clarke, the Chancellor of the Exchequer. The new base rate is 5.75 per

Fixed mortgages guarantee that rates will not go up or down for a specified period and are, therefore, particularly attractive for borrowers who need to keep careful control over the family budget.

Independent mortgage advisers say borrowers should act quickly to take advantage of the remaining good deals. "But watch out for the small print," warns Ian McKenna, a consultant with mortgage and pensions adviser Blyth McKenna "Some of the cheapest fixed rates are offered on the condition the borrower takes out expensive buildings and contents insurance."

Borrowers considering a fixed rate should treat with caution any imposes a deadline by which the deal must go through. McKenna says: "Several of the largest building societies do this, and it creates severe problems for borrowers stuck in a chain who are not able to complete in time."

You should bear in mind. also, the early redemption pen-alties associated with fixed rates - usually worth three to six months' payments. But lan Darby, marketing director at mortgage adviser John Charcol, points out that redemption

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Provider	Rate %	Until	Fee*	RP=	ins***
Britannia	5.50	1.9.96	£195	3mths	Yes
Britannia -	6.99	1.10.97	£225	6mths	Yes
Britannia	8.15	1.9.99	£275	6mths	Yes
John Charcol	4.95	1.7.96	£295	3mths	No
John Charcol	6,49	1.7.97	Nil	3mths	No
Lambeth	8.15	1.9.99	€250	6mths	Yes
Leeds & Hoi.	9.25	10 yrs	2295	6mths	No
N & P	8.45	1.8.98	€250	6mths	No
N & P	8.75	1.8.99	2250	6mths	No
Nthm Rock	5.49	1.6.96	€250	4mths	Yes
Yorkshire	1.90	1.5.95	£250	3mths	Yes

Provider	Old rate	New rate	New borrowers	Existing borrowers
Abbey National*	7.74	8.09	Immediate	Early Oct
BNP Mortgages	7.59	7.97	4 Oct	3 Nov
Nationwide	7.74	8.14	16 Sept	1 Oct
Northern Rock	7,74	8.14	14 Sept	1 Oct
Northern Bank	7.64	8.14	13 Sept	13 Sept

Source: John Chercol, "Lender's fee " Redemption penalty "Compulsory bogs & cont re

penalties are a standard feature of most mortgage prod-- with the exception of variable rates

out of a fixed rate would be if rates fell dramatically," he says. "We believe that the mortgage market has bottomed out and that rates will rise, not

Owners who want to sell should not delay in the hope of price rises. Darby says: "House prices will remain static apart from a few pockets of movement where demand outstrips

"Now is a good time to move - mortgage rates are very competitive, and the ratio of

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income to house prices is at an all-time low."

Fixed rates in detail. The Royal Bank of Scotland has schemes. Its three-year fixed has gone from 7.95 per cent to 8.49, and the five-year fixed from 8.89 per cent to 9.24 per cent, according to Moneyfacts.

National & Provincial has put up some of its fixed-rate offers by 0.4 per cent to 0.6 per cent but has cut its one-year fixed rate for first-time buyers by 0.1 per cent to 1.75 per cent. The lender says this reduction is not at the expense of any changes in the mortgage's

terms and conditions. N&P also amounced a new

four-year fixed at 8.45 per cent for borrowers who have a mini-mum deposit of 10 per cent. Meanwhile, ScotLife Home Loans and the West Bromwich have launched jointly a 6.99 per cent fixed available

through independent advisers. Providers to withdraw their fixed-rate offers include First Direct, Confederation Bank, Ipswich building society, First National building society, Mansfield building society Household Mortgage Corpora tion, Bank of Ireland (Northern Ireland), Bank of Scotland and Centre Bank. TSB has withits offers.

Few lenders announced changes to their variable-rate mortgages – most are sitting on the fence until the Halifax rates come out next week. Of the providers that did, the average rise was 0.4 per cent, taking the typical figure to 8.14 per cent (see table 2).

In practice, advisers tend to regard these rates purely as a benchmark. With so many good fixed-rate and discount borrowers who shop around see little attraction in an undiscounted variable rate.

Elsewhere in the savings and investment market, there were few signs of movement. Banks and building societies said they would wait for Abbey National and the Halifax to go public on savings accounts before adjusting their own rates.

The exceptions included Barclays and Northern Rock, which increased interest rates by between 0.1 and 0.35 per

Crunch nears on BT3

nvestors in BT3 will get a letter next week asking them to pay the final 120p instalment on their shares. The first two payments totalled 290p against a market price now of around 264p. Dealing in the partly-paid shares will end on September

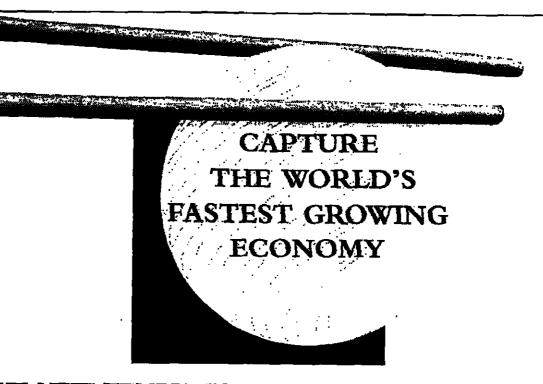
Cheques must be received by October 6 in order to meet the payment deadline of October 11. But some brokers and share shops are asking for the money well before the end of

If a shareholder fails to pay up in time, the Treasury will take back the shares and sell them. The shareholder stands to get back a maximum of 290p less costs but, in practice, the amount paid is likely to be less: the market price less

If you want to pay the final instalment, just send off your cheque together with the call notice asking for the instalment in time. If you want to sell without paying the final instalment, then the sooner you do so, the better: many brokers have a selling deadline well before the end of September. But wait until you have got your call notice.

If you want to keep a stake in BT but cannot afford to make the extra payment, you need to sell some of your part ly-paid shares in order to make the additional payment on the others: an operation known in the trade as cannibalisation. Personal equity plan-holders should check they have cash available.

Gillian O'Connor



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Please remember that post performance is not necessarily a guide in future performance.

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The state of the second of the

he myth that unit trusts

are a boring, cloth cap

investment may linger

FINANCE AND THE FAMILY

Get the best while paying less

There is more than one way to tap the expertise of top investment managers, says Joanna Slaughter

in the golf clubs of the land but it is not a view held by the largest investment management firms. Eight of the 10 investment managers profiled recently in the Weekend FT offer a investment committee, and it will degree of portfolio management be a reflection of our views." The largest fund management based on collective investments. All insist that the investors who use firms tend to offer three basic colthese services benefit from their lective fund services. Some manage a specific unit trust, a core fund expertise just as surely as wealthy designed to replicate the portfolios of their wealthiest private clients. investors with bespoke equity port-Peter Rees, marketing director of and a select few bolt on additional private client services. Others run portfolio services which provide cli-

Rothschild Asset Management, says: "The similarities between ents with a managed basket of col-Libra tthe RAM unit trust management service] and what we provide for high net worth individuals are Schroders is a passionate advoremarkably close. The groups that decide our asset allocation for clicate of unit trusts, arguing that they provide a spread of risk which ents are the same, whether you are only the seriously wealthy can achieve from a direct exposure to equities; that they streamline administration; and that they offer coming through Libra or through the private client service or as a large institution." considerable financial advantages.

Simon White, managing director of Kleinwort Benson Investment Trusts, makes the same point, "The asset allocation of our unit and investment trust service will be determined to a large extent by the points out that they are exempt from capital gains tax and that, if the annual fee is taken from the fund's income, then investors effect tively are getting income tax relies on it. Moreover, annual fees are not subject to value added tax unlike the charges for managing directly

The Schroder World fund is the one used for private clients whose main investment objective is long-term capital growth. "Provided the clients' objectives match the objectives of the trust, the World fund is appropriate for all UK taxpayers," says Henderson.

Minimum investment is £1.000. but investors with £100,000-plus are offered many elements of the firm's private client service. They have two named investment managers and a stream of information throughout the year. Schroder also will liaise on bed and breakfasting units, so clients can mop up their

BUDGET SERVICES FROM BIG-NAME MANAGERS									
Manager	Service	Mir							
Schroder	World fund u/t	£1,000							
Mercury	Portfolio u/t	£10,000							
Kleinwort Benson	Unit & Invst. trust services	275,000							
Cazenove	Portfolio u/t	25,000							
Bartno	Portfolio u/t	2500							
•	Managed funds service	\$20,000							
James Capel	Managed funds portfolio	\$25,000							
Rothschild	Libra unit trust portfolio	250,000							
Credit Suisse	investment portfolio u/t	25,000							
	High Income portfolio u/t	25,000							

CGT allowance, and will arrange for them to convert part of their holding each year into a personal equity

Mercury's answer is the Portfolio unit trust. Richard Royds, managing director of Mercury Fund Managers, describes it as "a unit trust designed for the private clients we

used to have to turn away. It simply follows the strategy that the private clients get. It is not a white-knuckle ride. It is a safe and sound approach that has done very well." Mercury has now launched a complementary Income Portfolio fund.

The firm's minimum investment is £10,000, but this sum opens the door to some private client services. Two portfolio advisers are available to investors and they get quarterly reports, with the fund's portfolio listed as if it were their own.

Royds says: "There are some great advantages with a unit trust because one of the problems you get with a private client portfolio is that you are constrained by tax from trading. We have a few people who have invested more than £1m in the Portfolio trust because they like the CGT structure so much." The Cazenove Portfolio unit trust

(minimum investment £5,000) does not offer extra private client services but it, too, provides a mirror image of a wealthy private client

Harry Henderson, managing director of Cazenove Unit Trust Management, says: "The fund absolutely adopts the Cazenove asset allocation and sector allocation. If the way we think a private client portfolio would perform."

Similar claims are made on behalf of the Credit Suisse Investment Portfolio fund (minimum £5,000), and the Baring Portfolio fund (minimum £500). Baring also joins Rothschild, James Capel and Kleinwort Benson in offering a collective funds portfolio management service with trusts chosen from the whole marketplace. In contrast, the unit trust management service that Schroder offers to investors with more than £500,000 is confined to

the firm's funds. The minimum investment for the Baring service is £20,000; at Capel, it is £25,000. Investors must have £50,000 for Rothschild's Libra service and £75,000 for Kleinwort's unit and investment trust portfolio management. Fees are I per cent at Baring and Rothschild, a minimum £200 a year at Capel and a minimum £250 at Kleinwort.

Clearly, the message is: do not be intimidated by the investment figure required by leading private client fund managers before they will provide a bespoke portfolio. There is more than one way to secure their asset allocation and stock-

private customers are more trouble than they are worth. But all want to keep the ones with large balances who are suitable targets for other financial services. Measures to retain them range from cash incentives to promises of a bet-

ter service. Earlier this year, Abbey National halved its authorised overdraft rate, while Midland bank promised to pay customers £10 for each failure to meet certain standards of service in transferring a current account from another bank.

Barclays bank has just announced that it is improving its complaints system. It was the subject of bad publicity earlier this year after a customer committed suicide.

The way we handle complaints is a vital part of our efforts to improve customer service," said Chris Lendrum, deputy managing director of UK banking services. "Handled badly, a customer may understandably take his business elsewhere."

One frequent complaint by readers is that branch staff sometimes are unable to provide even such simple information as how to complain. Here.

How to make your bank really listen

Scheherazade Daneshkhu on ways to complain

then, are the complaints proce dures for some of the UK's largest banks. They sound good - but let us know if theory differs from practice. Barciavs

John Henderson, the managing

director of Schroder Personal

Investment Management, says: "1

could wax lyrical all day about the tax benefits of unit trusts." He

The bank is setting up a National Complaints Initiative in branches to handle both personal and business complaints. Staff will complete an "action form" for customers who complain in person and who will be given a copy for reference. Telephone and written complaints will receive a response within 24 hours. "In complex cases, this may initially take the form of a holding letter," says Barclays.

It has a three-stage process. First, make the complaint (in person, by letter or telephone) to the senior manager of the

the name and address of the

■ Bank of Scotland

branch where the problem arose. If you are unhappy with the reply, ask the branch for



"OH NO - NOT YOU AGAIN!

regional manager responsible for the branch and write to him. If the complaint remains unresolved, take it to the relevant general manager. **■** Midland

Go first to the branch manager. The complaint will be answered within two working days, or an acknowledgement

sent stating how long the matter is likely to take.

If you want to take it further, write to Derek Stafford, Customer Relations Manager, Midland Bank pic, Head Office, Poultry, London EC2P 2BX (the letter will be acknowledged within two working days) or telephone the bank's customer service centre on 0345-707 070.

Calis are charged at local rates and are recorded "to provide conclusive evidence in cases of dispute". ■ Lioyds Complain first to the branch (if

you telephone outside working hours, leave a message on the answering machine and your call will be returned the next working day). If the matter is not resolved, either write to the regional executive director (the branch will provide the name and address) or telephone customer services at head office on Freephone

0800-147 789. Complaints about credit cards are handled by the Senior Manager, Card Services, Essex House, Southchurch Avenue, Southend-on-Sea, Essex SS99 3PP. The local branch will deal with complaints about a Lloyds' pay-

ment card. ■ National Westminster Branch-based complaints are handled "immediately" by the branch but, in complex cases, it will take a maximum of two days. If you want to take the matter further, write to head office, which will acknowledge the letter within 24 hours. There is also a Freenhone customer serviceline (0800-505 050) which handles queries, suggestions and complaints.

■ Royal Bank of Scotland Once again, the complaint should be addressed to the branch at which it originated. If you remain unhappy, write to the Head of Service Quality Department, Royal Bank of Scotland, Freepost, P.O. Box 31, Edinburgh EH2 0DG. An acknowledgment will be sent within two working days and a

full response within 10. In all cases, if you have completed the internal complaints process and still feel aggrieved, write to the Banking Ombudsman, 70 Gray's Inn Road, London WC1X 8NB (tel: 071-404

Bupa's long view

upa, the UK's largest private health insurer, is moving into the market for long-term health-related insurance. In the past, it sold insurance to cover only the direct cost of private medical treatment - not the impact of illhealth on financial circum-

Now, it has added three new types of policy: ■ Disability income insur-

ance, which provides a replacement income if you cannot work through ill-health. ■ Critical illness cover, which pays a substantial lump sum if you suffer one of a defined list of serious health problems. such as cancer, heart attack or stroke.

Recovery cash, which pays a smaller lump sum if you need surgery, whether privately or on the NHS.

One pertinent aspect of the disability income cover is that unlike similar products - usually known as permanent health insurance, or PHI cover does not stop at retirement age. Instead, it changes into a type of long-term insurance to help with the cost of care if you become unable to

carry out such "activities of ness cover is large and competdaily living" as washing, going to the lavatory, and eating

Claims before retirement are decided on whether your illness or disability stops you carrying out your normal occupation. So, a condition that allows you to claim then will not necessarily entitle you to post-retirement benefits.

One drawback is that the policy must be taken out at least five years before your scheduled retirement date. This means that long-term care cover will not be available to those most likely to consider buying it: people on the verge of retirement or who have just

nother potential problem is that the maximum level of , cover is only 50 per cent of your gross salary (most insurers offer cover of up to two-thirds). Since nursing homes are expensive - up to 220,000 a year - you could cover long-term care costs fully only if you were earning about £40,000 a year before retiring. The market for medical

quotes for all the different elements from a range of insurers before signing up for a single insurer's package.

At the same time, Bupa has simplified its range of private medical policies to reduce confusion over what is covered to switch between different types of insurance when their circumstances change. Its new, customer-friendly

approach includes a local-rate lephone help-line for customers, open from 8am to 8pm on ekdays. Another innovation is a range of voluntary excesses on all medical policies. This gives subscribers the choice of cutting premiums by up to 40 per cent by agreeing to pay the first £100 to £500 of

every claim.

This will appeal to people who find comprehensive premiums costly and are happy to have minor conditions treated on the NHS (or pay themselves) but still want cover for serious illness. Several other insurers offer voluntary excesses already.

Bethan Hutton

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(9900 712505)	Best 10 (Classel issue)	7.30	7.00	5.25	525	Yely	200,000	Clestel lesses. ESSE: 6.75%. £250; £160; 6.00%.
City & Metropolitan	Saper 60		5.40	4.50	-	Yely	16,000	Withdramaks at only 60 days notice, 5,80%, from £500.
Hallar*	President XXva	-	7.80	5.25	-	Trity	180,890	Gross ratus include 6.25% annual gross burns payable
	Province Xira	-	6.75	5.86	-	Yely	50,000	क्रोक्स १६ मोर्डिक्स्प्राप्ति १९८३४. विका क्रेडिक्ट्राप्त्री वर्ष
	Primiem XI;s Premiem XI;s	-	6.50 6.20	4.86 4.65	-	Yrly	25,800	25,000 per milk where £18,000 remains. Different interest
	Tesa.	6.80	636	-	:	Ydy Ydy	19,500 56	rates apply to our-personal accounts (og co., cloth or close). See born and 2 becauses
Leeks & Hotheck (R532-459511)	Capital Bond	7.10	7.30	5.33	5.33	30 Auril	150.000	90 days suffice/pensity, Manthly interns option the available
	Tessa	6.50	6.50		•	1.50	1	No transfer restrictions or charge. Legality bounts ; 2% extra
	Gold Access	5.25	5.15	3.86	3.86	150	£58,000	No notice on penalty
Leeb Personal (1852 43030)	Scoots Gold	7.50	7.90	5.25	5.25	Arrest	100,000	justedes an interest bonus of 0.50% & p.a. provided on with
	Benes Geld Lieuisi Gold	6.EL	6.21 5.10	511 3.83	5.11 3.03	Militry Accord	160,000	ands during previous 12 securis period. Tierral rates from £1
	Sellei Calei	£00	5.00 6.00	456	4.59	ADDEN ADDEN	25,600 50.600	Institut access no penalty. Thered interest rates from \$25
	Solid Gold	181	5.86	4.38	4.38	Heathly	59,800	fastant access, no possity on min of £19,000. Otherwise 99 notice on 90 days loss of interest. Tiered interest rates from
Marsdon (8262 672821)	Raidon til	ᄹ	6.25	5.14	5.14	Ampully	100,000	til days action
w	Tessa	£75	6.75	-		Assully .	10,000	30 days eather
Newsatte (191 292 6676)	Nova Pher Special Nova Star (Estate VIII)	5.30 6.30	5,18 6,50	3.83 4.88	3.23 4.84	Armai Armai	299,000 5,000	Instant access
	week and female and	-	-			<u> </u>	2,048	No withills sharing 12mile layon thereafter at 90 days notice. (or let acc with 90 days (ess of let).
	Nesa Five	8.00	8.00	£.00	£.08	Assert	5,800	No without sects 1:5/99. [as acc. thereafter.
Herthers Rock (1991 225 7293)	Pestal 60	7.85	7.95	5.29	5.29	langer 1	189,600	Int is fixed and Skd mat# 1 May 1999, Postal account.
,	~	4.95	4.95	5.21	5.21	لمسار	50.000	Handly seller.
		6.85	6.85	5.14	5.34	(comp	25,000	milite
		4.55	6.55	491	4.91	أخضنا	18,005	Tel: 0500 585000
Pertona Chinesi Islanda (1981) 822747/6	e.U m 1 e	6.00	6.08	4.50	451	Ameri **	2,500	ler felals
	Gold Pies &C Indust Gold Account	6.65 6.29	1.65 1.28	-	:	Yely Yely	20,000 20,000	Mar. habing 1,000,000. 90 days notice or penalty.
Principality (0222 34(188)	Testa	6.75	4.75			Trig	25	Max belong 1,600,600. Instant access. Tax exercit where capital remains for 5 years.
Scarburguyb (1000 592578)	Keepaste By Post	6.50	1.50	4.83	4.86	According	15	Regular Saving, Monthly Investment £15-150, Instant Access
Sidgles (9756 760511)	3 pr Flood Rate Blood 2s		8.25	4.70	4.18			
	High Street	8.25 6.38	- LJI	619 451	6.39 4.50	Triy Triy	2508 2.600	Found matel 30 September 1997.
•	Young Severeige	2.50	8.56	6.38	6.38	Triy	5	lustent access, operated through branches from 25.67.94. Onder 10s Rata includes 2% Oceans p.a. for on utilizionesis.
Hadraich (6800 400 908)	Cornel Account	5.16	5.10	3.65	1.63	Yaly	50,000	Instant Access, Tables
		5.00	5.00	3.75	1.75	Ydy	25,888	Variables.
		4.58	4.50	3.32	1.38	Y alj	10,000	Anthonised oversireit rate
		3.50 1.14	3.5 1	243 8 4 1	243	Tidy Value	529	4 9.5% AP2 5点点 b
Farishire (8504 576654)	Tessa Prepier	115	1.15 6.60	8.8k -	1.55 -	Ydy Ydy	1 160	Siates and win. age 18.
	let Class Access	6.56 6.56	6.50	4.83	4.69	Trip	180,000	90 days action of transfer E2000 existence in come a/c
	lst Gan Access	425	425	416	4.89	Tdy	54,000	property incited from the
	let Class Across	195	5.95	4.46	4.46	Yely	25,900	Link card for 24th airpes ris
	Let Class Access	5.80	5.00	4.35	4.35	रेतंत्र	10,060	ATH
	let Cinc Acres	15	5.55	4.16	4.16	Yely	2,900	
	1st Class Access	146	1.45	1.09	1.09	Trip	25	



FINANCE AND THE FAMILY

A season for tempting trusts

DIRECTORS' SHARE TRANSACTIONS IN

THEIR OWN COMPANIES (LISTED & USM)

7,000 6,000

2,800 2,200

1,500,000

18,000 26,200

40,000 15,000

25,000 32,000 14,000

2,500 3,000

3,000

14,000 800,000

4,000 15,000

42,000 10,000

1.657.445

500,000

23,000

2,000,000

36 276

59 100

34 88 21

...OthF

utuma is here – the season for investment managers to dust off their marketing plans for new trusts to tempt investors, writes Bethan Hutton Fidelity is launching Special Values, an investment trust to be run in parallel to Fidelity's Special Situations unit trust and under the same manager, Anthony Bolton. The idea of special situations is to find under-valued companies which have recovery or growth potential, are potential takeover targets, operate in niche markets, are being restructured or are under-re-

The other new offering is from BZW Investment Management and Société Générale Strauss Turnbull. It is an unusual concept: an investment trust specialising in com-panies which will benefit from development of the information infrastructure in the emerging economies of Asia, Enrope and Latin America. This includes advertising, broadcasting, electronic hardware and software, newspapers and telecommunications.

					<u>.</u>	<u></u>			<u>_</u>					
		NEW	INVEST	HEN	T TR	UST	LAUN	CHE	<u>s</u>					
				TH	nge <u>ts</u>			instité.	Minimu	— Cutsic parairies e		Inski		
Macagar (Tatophora)	Broker	Sector	Warrands	Size Den	Yleid %	PEP Chual?	Savinga Scheme	Price	MAY P	trace.	Chenge %		i <i>kom</i> ed Change %	
Fidelity Spe														
Fidelity (0800 4141														
	SG Warburg	UK Growth	1:5	30+	n/a	Yes	Yes	100p	95.5p	£1,000	0.95	n/a	n/a	19/10/94-9/11/94
New twin for Fic	Jelity's Special Situ	uations unit trust, rus	n by Anthe	any Bo	alton				-					
■ Infostructu				<u> </u>	—									
	ale Strauss Turnbull (O	1500 202021)												
	Soc Gen ST	Emerging Mikis	1:5	40+	n/a	No	No	1000	96o	<2,500	1.25%	n/a	n/a	25/10/94-4/11/94
Innovative trust	planning to invest!	in "information infras						10	•	—			104	22 10/04 41 1/04
M Lazard Bre										—	——			
Lazard Investors (07														
	Greig Middleton	UK General	1:5	50m	3%	Yes	Ν'n	1000	960	\$1,000	1%	п/a	σźn	end Sept for 3 wk
Specialising In re	gional brewers, pu	ub companies and o	ovni snertk	ved in	the p	roduct	ion or s							110 mpc 101 5 111
Prolific Inco														
Prolific (0800 99885	i5)													
	James Capel	UK Inc Growth	1:5	40÷	4%+	Yes	Yes	100p	95.1p	2,000	0.8%	2,000	1.6%	22/9/94-13/10/94
C*[:1														

int strategy to existing Prolific High Income unit trust, ranked 30th of 94 funds over five years

Extra Income Fund Save & Prosper (0800 282101) 6.25 Yes Yes 2 1.5 No 1,000 2 1.5 No 1,000 - 10/9/94-30/9/94 UK Equity Income The annual charge is taken out of capital to boost income. About 55 per cent will be invested in bluechips, the rest in fixed-interest stocks.

Directors' transactions

The largest single transaction of the week was at Iceland, the frozen food-maker and retailer. Peter Hinchcliffe, deputy chairman and joint managing director, sold 1.5m shares although he still holds almost 3 per cent of the company.

SALES

Amersham Inti Amiltage Bros Assoc. Nursing Serv

Henderson Admin Gp .

Lowdnes Lambert

Mercury Asst Mgmt

Page (Michael) Gp

Rathbone Bros

Schroders .

PURCHASES

Bluebird Toys,

Goode Durrant

John Mansfield .

Smith (J).

UK Land ..

Warburg, S.G.

Airtours .

R Brik of Scotland

..... Quora D&M

☐ The eponymous chief executive of Michael Page Group, the recruitment company, is due to retire in 1995. Before he goes, he has been realising some of the growth the shares have accrued over the past few years. Most recently, he sold 2m at 105p each - but he retains more than 1.6m. □ In recent weeks, there has

been a growing amount of selling from the big financial houses. Now, two directors of M&G Group, Anthony Shearer and Ashley Gordon, have sold stock at prices between 1047p and 1055p. The sales account for a sizeable proportion of their boldings.

□ Peter Wood was responsible for setting up the hugely successful Direct Line Insurance. When it was taken over by Royal Bank of Scotland, he received a considerable amount of equity. His recent sale of more than 600,000 shares leaves him with over raised was for his pension

Vivien MacDonald, The Inside Track

When nil is not negligible

and her principal private

residence in the UK. It is let,

She has been told, however,

that if she did sell the house

now, she would be liable to

pay capital gains tax. Is this

■ What she has been told is

nonsense (so far as we can

deduce the relevant facts).

sending her three free

pamphlets which are obtainable from local tax

You can ease her mind by

offices: CGT4 (Owner-occurred

houses). CGT14 (Capital gains

tax: an introduction) and IR20

(Residents and non-residents:

liability to tax in the UK).

Her UK solicitor, who

presumably has acted for her

in buying the house, can guide

her through the tax labyrinth.

advice correct?

and she is not considering

BRIEFCASE

Under section 24(2) of the Taxation of Chargeable Gains Act 1992, when an asset has become of negligible value, what is the advantage of claiming that the asset has been sold and re-acquired at

the specified value? Can't it be claimed simply that it has a negligible value? Is negligible value the same as "nil" value for CGT purposes? ■ Section 24(2) of the Taxation of Chargeable Gains Act 1992 says: "If, on a claim by the owner of an asset, the inspector is satisfied that the Value expressed in £000s. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 3-7 September 1994. Source: Directus Ltd, The Inside Track, Edinburgh value of an asset has become negligible, he may allow the claim; and, thereupon, this act shall have effect as if the claimant had sold, and immediately re-acquired, the asset for consideration of an amount equal to the value specified in the claim."

As you will see, the claimant has to specify his estimate of the asset's present value in the claim. No, "negligible" does not mean "nil": there is a contrast

between the phrase "the value... has become negligible", in section 24(2), and the phrase "becomes valueless" in section 146(2). Both phrases originated in the Finance Act 1965, so parliament's intention to distinguish between negligible values and zero value is beyond question.

Unlocking a house's value

My wife and I own our house. Since we have no children, it (or the proceeds thereof) will go to relatives when we die. Since most of our income has gone into the house, we are looking for a way to get its value (£60,000) for ourselves, but without having to resort to any debt.

Is it possible for us to sell the house to, say, a finance or insurance company but continue to live there until we die? Or is there any other type of scheme that we could opt

You should approach the idea of selling your house to a finance or other company with extreme caution.

There are, however, arrangements which may well be mutually profitable in your situation and, therefore, we suggest you contact Age Concern at Astral House, 1268 London Road, London SW16 4ER (tel: 081-679 8000). Ask for a copy of its book,

Using Your Home as Capital (price £4.50) and its free fact sheet number 12. (Answer by Murray Johnstone Personal Asset Management).

No tax on this sale

A British lady now aged 71, previously resident and domiciled in England, emigrated to South Africa four years ago. As her son lives there, she has no intention of returning to live permanently in the British Isles. She still owns the house

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	•
	KEY EXTRA
CURRENT INTERES	RATES (VARIABLE)
(Lalance	Rates
£50,000 or over	700% Growp a
£25,000 to £49,999	6.35°a Grow p.a
£24,999 (124,999)	605°s Gromps
(5.000 to (9.999	545% Grosspa

OFFSHORE KEY NINETY

90 Days noti	ce or charge.
CURRENT INTEREST	RATES (VARIABLE)
Belance	Ration
£50,000 ar aver	645 Groups
(75,000 to £49 999	5 BO's Glosspy
1 10,000 to 124,799	5 40° Govers
15,000 to £9,999	500% Grosspa

OFFSHORE KEY ACCESS

CURRENT INTEREST	RATES (VARIABLE)
Balance	Rares
(50,000 or over	6 10% Gross pa
£25 000 to £49,999	5 55% ա տորա
(10,000 to £24 999	5 IOn Groups
£5,000 to £9,999	470°s Grossus

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deposit) made payable to "Yorkshire	MR/MRS/M/SS F,T 17.9 PLEASE USE BLOOK CAPITALS
Guernsey ak (Your name). Please	FORENAME(S)
open the following account: Offshore	SURNAME
Key Extra [], Offshore Key Ninety []	ADDRESS
Offshore Key Access Choice of	
Interest Payment Dates: 31 March (30	POSTCODE
April . Please send me full details of	TEL NO. (STD)
Yorkshire Guernsey ☐.	SIGNATURE (S)
YORKSH	RE 🚅 GUERNSEY

HIGHEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	Minimum deposit	Plate %	ini pak
INSTANT ACCESS A/cs						
Portman BS	Instant Access	0202 292444	Instant	2500	5.00%	Y
Bractord & Bingley BS	Direct Premium	0345 248248	Postal	€1,000	5.40%	Y
Silupton BS	3 High Street	0756 700511	Instant	22,000	6.10%	Y
Nationwide BS	investdiect	0800 665511	Postal	225,000	6.30%	Y
NOTICE A/cs and BONDS						
Bradford & Bingley	Direct Notice	0345 248248	30Day(P)	21,000	6.00%	Y
Northern Rock BS	Postal 60	0500 505000	60Day(P)	210,000	6.55%	Y
Universal BS	1 Yr. Hägh Option	091 232 0973	90 Day	£10,000	6.80%	Y
Covertry BS	Foxed Plate Income	0800 126125	31.8.97	25,000	8.80%F	_ Y1
MONTHLY INTEREST						
Britannia BS	Capital Trust	0538 391741	Postal	\$2,000	5.37%	M
Bradiord & Bingley BS	Direct Notice	0345 248248	300ay(P)	210,000	6.30%	Ma
Universal BS	1 yr. High Option	091 232 0973	90 Day	21,000	5.95%	M
Coventry BS	Fixed Rate Income	0800 126125	31.8.97	25,000	8.45%F	Mě
TESSAs (Tax Free)						
Market Harborough BS		0858 463244	5 Year	29,000	7.60%	Y
Hincidey & Rugby BS		0455 251234	5 Year	£3,000 A	7.35%	Y
tolmesdale BS		0737 245716	5 Year	21	7.15%	Y
Vottingham BS		0802 481444	5 Year	ដ	7.10%	Y1)
HOH INTEREST CHEQUE A/cs	(Orose)					
Mootwich BS	Current	0800 400900	Instant	€500	3.50%	Ył
taffax BS	Asset Reserve	0422 335333	instant	\$5,000	4.50%	Qi,
Chelsea BS	Classic Postal	0800 717515	instant.	52,500 525,000	5.75% 6.00%	Yły Yły
DEFSHORE ACCOUNTS (Gross)						
	International	0481 715735	Instant	2500	5.75%	Yh
Woolwich Guernsey Ltd.	Gold Plus	0481 822747	90 Day	220,000	6.65%	Yh
Portman Channel Islands	O'shore Key Ex	0481 710150	180 Day	250,000	7.00%	YŊ
Yorkshare Guernsey Ltd	Fixed Rate	0534 58840	5 Year	210,000	8.60%	Yly
talitax BS			3 100		0.0075	• • • • • • • • • • • • • • • • • • • •
WARANTEED INCOME BONDS Plat	<u> </u>					
iberty Life		081 440 8210	1 Year	210,000	5.50%F	Yh,
NG Life		081 680 7172	2 Year	220,000	6.10%F	ΥŊ
remium Life		0444 458721	3 Year	21,000	6.90%F	Yh
Seneral Portfolio		0279 462839	4 Year	250,000	7.30%F	Yly
urolde		071 454 0105	5 Year	€10,000	7.80%F	Υß
IATIONAL SAYINGS A/C+ & BONDS	(Gross)					-
	Investment A/C		1 Month	620	5.25%G	Yly
	income Bonds		3 Month	\$2,000	8.50%H	Mly
	Capital Bonds H		5 Year	5100	7.25%F	OM
	First Option Bond		12 Month	21,000	6.00%F	Yły
	Pensioners GIB		5 Yesr	£500	7.00%F	Miy
AT SAVINGS CERTIFICATES (Tax I	ree)					
			5 Year	£100	5.40%F	OM
 _	41st lesue					
- 			5 Year	2100	3.00%F	OM
	7th Index Linked		5 Year	0012	3.00%F +Infin	OM

This table covers major banks and Building Societies only. All rates (except those under heading Guaranteed income Bonda) are shown Gross, F = Fixor Rate (All other rates are variable) OM = Interest paid on maturity. N= Net Rate, P= By Post only, A = Feeder account also required. G= 5.75 per cent on £500 and above; 6 per cent on £25,000 and above. H= 6.75 per cent on £25,000 and above. Source: MONEYFACTS, The above, H= 6.75 per cent on £25,000 and above. Source: MONEYFACTS, The Monthly Guide to Investment and Montgage Rates, Laundry Loke, North Watsham, Nortolk, NR28 OBD, Readers can obtain an introductory copy by phoning 0592 500565. Figures compiled on: 15 September 1994

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HALF YEAR RESULTS

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE SIX MONTHS ENDED 30TH JUNE 1994. (UNAUDITED)

	To 30th June	To 30th June
	199 1	1993
	\$-m	£m
Net interest income	46.0	43.7
Other income and charges	<u>12.3</u>	<u>10.3</u>
Total income	58.3	54.0
Administrative expenses	(<u>30.0)</u>	(<u>27.2</u>)
Profit before provisions and tax	28.3	26.8
Loss provisions	(<u>3.6</u>)	(<u>8.9</u>)
Profit before taxation	24.7	17.9
Taxation	(<u>8.+</u>)	(<u>5.9</u>)
Profit after taxation	<u>16.3</u>	<u>12.0</u>





For a full copy of the society's Interim Financial Report, please contact: Corporate Communications Department Birmingham Midshires Building Society Principal Office, 35-49 Lichfield Street, Wolverhampton WV1 1EL. Telephone (0902) 710710

Established 1849 Assets exceed \$4.4 billion

As They Say in Europe A French youth, free of innocence

uppose Edward Heath, the British prime minister from 1970 to 1974, had been mixed up with Oswald Moseley's fascist movement in the 1930s and had helped draw up a list of undestrables to help an eventual occupying power.

Even in secretive Britain it might have emerged that he was not, perhaps, a wholly suitable potential leader. At the very least the cabinet secretary would have been tipped off by the head of MI5: "Ted hasn't got 20 shillings for the pound," or some such argot would have scuppered him.

In France, things are different. A bit of fascist collusion for a man of François Mitterrand's generation was not ial. Then a bit of light work on the other side and one could emerge from the cocoon of collaboration as a butterfly of the resistance. But Mitter rand, at a time of his own choosing, has co-operated in revealing the truth about his past. Admittedly the French president did wait until the last days of his presidency and maybe his life, to come clean, but come clean he did in backing the now well-known book by Pierre Péan, Une jeunesse

That, and the serious worries about his health, led to a long television interview on Monday. There. Mitterrand argued that he had not done much that was wrong. He had been a bit late in changing sides. He had befriended the man who had been the Nazis' manager of the Holocaust in France, René Bousquet. But Bousquet had been publicly cleared, even though his associates had left nobody in any doubt as to his central role in the matter.

The newspapers reacted diversely. Libération said that anyone looking for a mea culpa when it came to Bousquet might well have spared themselves the trouble. One provincial paper thought the president could end his term

role of the press in France, but even that took different forms. Le Figuro said the press had turned on Mitterrand as it had turned on other presidents at the end of their reign: "That is the way it goes in the world of French media, strong with the weak and weak with the

But, as is usual with Le Figaro, the reality is different. Most facts about Mitterrand, it seems, were, by and large, in or near the public domain. It would not have taken much to show he was on the fringes of the nastier xenophobic groups in the 1930s and that he dined with Bousquet in the 1980s.

'A bit of fascist collusion for a man of Mitterrand's generation was not exceptional

After all, he deposited a wreath on the tomb of the Vichy leader, Marshall Pétain, annually until public opinion forced a change a few years

So the question is, why was it that the truth did not come out until Mitterrand licensed it? Only Le Monde has taken this question to heart. Its in-house ombudsman, André Laurens, wrote a 5,000 word piece headed: "François Mitterrand under the eye of Le Monde." He explained how the paper had played a vital role exposing the many scandals of his reign and got into trou-ble as a result: "The irony is that the paper is reproached on the one hand for not having told what it did not and could not know, and on the other for not having believed the state-

ments of public figures." Those who expose unpleas-ant secrets in France do get into trouble. But the problem of Mitterrand runs deeper

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Mogacy/Campione/Switterhand and nature
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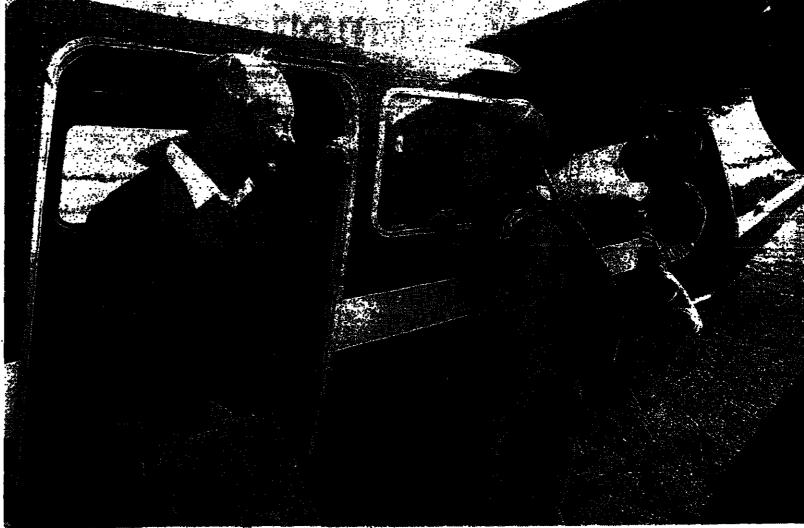
resolve it. They like to think Charles de Gaulle was the presidential incarnation of France, but of course the truth is that Mitterrand is the mirror of the nation. He is the two Frances, the nation of the enlightenment, the revolution and liberty. And of xenophobia, anti-republicanism and

Mitterrand symbolises the contradictory aspects of France's recent past - the ideological opportunism and the unique nature of French collaboration with the Nazis, the myths of the resistance the creation of a successful modern state and the continuity of pointless minorities on the far left and far right.

The National Front leapt to his defence. Its weekly, National-Hébdo, ran the hea line. Nothing to get excited about" and reported that any-body who had read the far-right press would have been familiar with all Mitterrand's transactions with the Vichy regime and he had done nothing wrong anyway.

The curious fact is that France's great figures, unlike Mitterrand, always emerge from some glorious national salon des réfusés. They are outsiders – Henri IV and Napoleon for example, or rejects and rebels - Voltaire, Lavoisier. Victor Hugo and de

In Britain, by contrast, all national heroes - Elizabeth I, Shakespeare, Adam Smith were heroes to their contempo raries. Sometimes that is a fluke of history. No British leader could have faced the choices that confronted Mitterrand: none could have supplied appropriately damaging material for a sensational political biography called "A Youth of an Englishman". So no Englishman can master the arcane intellectual skills that come so easily to the French. He has no need of them. ■ James Morgan is econo correspondent of the BBC World



Reach for the sky: David Parker, owner of Headcorn Parachute club with parachutists Cáthy Riddle and Thomas Shapland

Minding Your Own Business

Flying solo in turbulent air

Simon Walsh meets a City escapee whose dream has taken some nightmarish twists

"I can remember arriving back at work on Monday morning after a weekend's parachuting, going back to jump that even-ing, jumping again on the Tuesday morning and still being back behind my desk by 9am."

rstwhile foreign exchange dealer David Parker recalls how in 1976 he found that life on the Souare Mile was good, but not good

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eign exchange market and I loads of students jumping from was enjoying it, but I didn't feel I was going anywhere, and I didn't fancy spending the rest of my life as a passed over foreign exchange dealer rattling into Bank tube station five

days a week The obvious solution was to set up in sport parachuting. At that time most clubs were informal groups getting together and pooling re-SOURCES.

"I thought there would be room for a seven-day-a-week sport parachuting centre, working as a fully commercial

"I wrote to 30 such groups going full time on a commercial basis."

Among the groups to respond was one based on Headcorn Aerodrome in Kent. He liked the location: "Probably one of the most densely populated areas in the UK, with Greater London and the South East for a catchment area; and at that time there

was little competition." The Headcorn Parachute Chib began trading in 1979 on capital of £5,000. There was no shortage of weekend adventurers willing to hand over good money to let go of a Cessma 206

at 2.000ft. The problem was how to make a profit from the costintensive business of flying an aircraft, and hiring a space at the airfield while keeping prices within reach of the mar-

"It's an equation which is really quite difficult to unravel. We would lose quite significantly on experienced jumpers going to altitude – 10.000ft or over, while we would make money on the 2,000ft, as they would be paying more money for less time in the aircraft.

"The mainstay of our revenue has always been the student jumps and it still is. However we do not now make the losses that we used to make, 'even on a percentage basis – because we have bigger airtraft, have become more efficient, and prices have caught up somewhat.

The cost of running our Britain Islander Aircraft is £250 per hour at break even. We tharge £14 a head for an altitude lift of nine people so that generates an income of

•an hour. "If we put seven students in, each paying £20 we have an income of £175 and it only takes 15 minutes, so you have a potential to earn £700 per hour, which is a good

profit. -"However, if you have winds under 10mph, you will be tak-ing up students. Over 10mph and you can take only experi-

enced jumpers. "You cannot run an exclusively student-oriented operation because you would never have enough instructors, and if you did you would never progress into a fully-fledged parachute centre."

David formed two further compenies, Slipstream Adven-tures to provide "Accelerated Freefall", an advanced form of training that allows beginners to experience freefall on their first jump, and the Kit Store to market parachtites and related

The Kit Store, says David, has a steady turnover of £120,000 a year. "Most of the profit goes in management income I don't have to work for at all, and there's not a lot of capital tied up in it. It's just set up, and more or less runs

In April of 1988 David invested in a turbo prop air-craft, expensive to buy, but cheaper to run, and with a much longer working life.

n March of 1989 the aircraft was taxying when a parachutist, in the final stages of descent, collided with one of the propellers and was killed. The parachutist was Tania Pond, David's fian-

experience of my life. It took me a long time before I could come back here and fulfil any useful role. I would just come in, sign the checks and go away again.

"I certainly started drinking a lot. But I am not aware of it having left any long term

SCRI'S. "Of course it's always there and always will be there, but time is a great healer, life must go on, and you cannot go on in grief for the rest of your life." He lost the aircraft, and what was to follow would lend

precious little comfort. "I borrowed £190,000 from a finance company in 1988 to purchase the Turbine

"When we had the accident it left us with a repair bill in excess of £100,000. which we took out of cashflow. Then the Aircraft hull insurers refused to pay up, as did the parachut-ist's third party insurers.

The net result of that was having put £100,000 into repairing the aircraft, I could no longer afford to maintain it.

"I asked the finance company to repossess the aircraft. They repossessed it, but have done nothing with it, it's just been left sitting here.

"They're now saying they've lent this money and want it hack with interest Pm saving the aircraft was worth at least £209,000 when they reposes it, but is now a rusting hulk and that they should have sold it when they took posse used it constructively, or at least looked after it

properly. "Op till now we were jus writing letters to each other, but I found out recently that now they are going to sue my We will obviously fight it with everything we've got."

Last year, figures for two of the three companies dipped. Headcorn Parachute Cinb lost £31,000 on turnover of £286,000 against a 1992 profit of £65,000 on turnover of £337,000 in 1992. Slipstream made just £800 on ternover of £59,000, down from £15,000 profit on £88,000 turnover the year before. Parker expects Headcorn to move back into profit this year. He says he refuses to be beaten.

"Running a full-time parachute centre is not so much a business venture, more a vocation requiring business acumen. You are working without respite, no break whatsoever. What brings you through is

your love of the sport.
"Yes, we are riding some extremely rough waters right now, but no, we are not on the

.Headcorn Parachute Club, Headcorn Airfield, Headcorn, Kent. TN27 9HX. Tel.

Albania's long road back

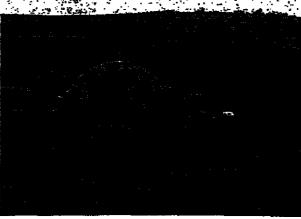
Continued from Page I

fluent English, which was self-taught. It made a considerable impact when he visited London recently and was received at Buckingham Pal-

Berisha is a passionate man, and he speaks with a direct-ness and conviction that moves audiences. Another of his skills, apparently, is an ability to make snap decisions – acquired as a doctor. "The communists' greatest

crime," he tells us, "was to iso-late us from the world. This made Albania a third world country, the only one in Europe." The remedy is the free market, foreign investment, privatisation and a stock exchange. All this is to be done as quickly as possible, says the president, who has dispatched teams to the UK to study its privatisation experience.

"When we tried to privatise the bread industry, people said: how can you do that? But, in the old days, we had bread only three or five days a week. We had to import wheat and transport it around the country to meet shortages. Today, our warehouses are full." He relays with pride the results of a Europe-wide Gallup poll investment: apart from oil,



Symbol of repression: a pill-box on the landscape

of Albanians approved of priva- and considerable tourism tisation, the highest in any potential. Berisha is particularly keen

to dispel the image of Albania as a land hostile to outsiders (it was a crime under communism to speak to foreigners or accept foreign finance). "The attitude of Albanians has completely changed," he explains.
"They understand the impor-tance of foreign investment." There is huge scope for outside

The president is delighted that foreign capital has begun to trickle in, even though Albania lives under "the shadow of war" in Bosnia and has difficult relations with all its immediate neighbours. The recent imprisonment of five members of the Greek minority on espionage charges has put a severe strain on ties with Athens, and reinforced the argument that less has which showed that 72 per cent Albania has copper, chromium changed in Albania than the

government would have people believe. The Greeks have blocked a proposed aid pro-gramme from the European Community. Berisha shrugs: We are realistic. We will have to wait.'

Back at the airport, there is evidence for his optimism. Two flights, Alitalia and Austrian Airlines, have landed and are disgorging dozens of people with suits and briefcases. There are now daily flights to several European cities, and

Air,

On the flight back to London, I am sitting beside Pavil Qesku, the Albanian ambassador to the UK. A lightly-built man with lively, dark eyes and a shock of silver hair, he tells me about his own past. A lexicographer, he has just completed the first comprehensive Albanian-English dictionary.

I ask him what characterises Albania and its people, with their unique Illyrian origins. "The Albanian language survived 500 years of Roman occupation, and then 500 years under the Turks and the constant threat of Slav invasion."

he replies. "But the first book was not published until 1555, and the first Albanian language school did not open until 1879. The survival gene is very strong." I had to agree.

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Escape from the Himalayas: a family's ordeal

Stefan Wagstyl advises travellers to India to be prepared for surprises after his adventures in the mountains

he soldier poked around in the boot and asked: "Have you got any bombs or guns?" "No," replied our driver. "Well, be on your way," said the guard, slinging an ancient Lee Enfield rifle on his shoulder and wrapping his cloak around him to keep out the icy early morning wind.

The Drass Valley, in the Himalayas in the north Indian state of Jammu and Kashmir, is the second coldest inhabited place on earth after Siberia. The towering mountains keep out the sun so effectively that even in summer in the narrowest parts of the valley, the snow and

The valley is also full of soldiers. being less than three miles in places from the disputed border with

I had never had the slightest intention of visiting this remote and hostile territory, particularly not with my wife and three small chil-dren. But travellers in India have to allow for even the most unlikely surprises.

Our adventures began with a fiveday holiday in the mountain king-dom of Ladakh, lying just inside india's border with China, Most of Ladakh lies north of the Himalayas; the mountains block the rains and snows so Ladakh gets as little water as the Sahara. But there is a wild beauty about its rocky landscapes and about the bright green cases which flourish around streams and rivers, including the Indus, which flows through the heart of the region. At 11,000ft and more, the thin air is so clear that everything seems closer than it really is, making the landscapes unbelievably

The first Ladakhis were Tibetan nomads who brought with them Tibetan Buddhism and a language which is closer to Tibetan than to any Indian tongue. Their whitepainted monasteries cling to the mountains and their stupas and prayer stones dot the valleys like the relics of some prehistoric civilisation. Even though Leh, the

Ladakhi capital, has been turned into a military base by Indian troops guarding the disputed fron-tiers with Pakistan and China, Ladakhi people have managed to preserve their gentle and spiritual

But, despite its other-worldliness, Ladakh is remarkably accessible -being only a one-hour flight from Delhi. So, a trip to Ladakh is a good way to spend a long weekend - but only if the weather is kind. For us, it was not.

The sun shone from a cloudless sky for the first four days, ideal conditions for aircraft at Leh airport. But on our last day the clouds came down and showed no sign of lifting. Even though the air force keeps the airport running all year round, there is nothing it can do

'The manager said the aircraft could come the next day or the next week

about the cloud. After waiting for three hours, we heard the flight was cancelled. The airport manager saidthe aircraft could come the next day or the next week. "You are lucky. In winter we are sometimes closed for a month," he added helpfully.

Our hearts sank. The idea of an indefinite wait did not appeal, particularly as this was the beginning of September and the temperatures were already dropping fast from their brief summer highs. The children had already seen as many yaks as they wanted and moaned at the thought of more days in the terres-

trial equivalent of outer space. The only alternative to flying was the road. A two-day trip - either west to Srinagar, the capital of Kashmir, or south to Kulu, a hill station on the southern side of the mountains. Srinagar, with its political troubles did not appeal in the slightest. But the airport at Kulu is also frequently closed by bad weather. So, anxiouslywe opted for

We stocked up with apples and chocolate and with bread and cakes from Leh's German Bakery, which is capable of turning out wonderful unlikely surroundings.

A car was found - one of India's venerable fleet of Ambassadors, the Morris Oxford lookalikes. Regzin, the driver, promised he did not drink and had never had an accident. With considerable trepidation, we set off.

The road started by winding across the long valley of central Ladakh. The clouds grew thicker and the winds blew grit and sand in all directions. We saw bedraggledlooking sheep and goats, and, at one point, a couple of foreign trekkers, huddled together under a sign proclaiming the virtues of Himanuk the corps of army engineers who

The plateau ended abruptly and the road snaked down to the indus through the first of many sets of hairpins we would see. No crash barriers, here or anywhere else. We winced at the sight of a truck lying upside down on the rocks below.

The road is open for only six months of the year. It is closed in winter and spring when the waters released by the thaw wash away chunks of asphalt. We saw gangs of workmen repairing the roads, digging holes and breaking rocks, their faces blackened with the tar they heat on open fires.

They were not Ladakhis or Kashmiris, but migrant labourers from the plains of Bihar, India's poorest state. About 1,000 miles from home, they seemed more out-of-place than

The Ladakhi villages we passed looked surprisingly prosperous. With their yaks, sheep and goats, their fields of barley and orchards of apples and apricots, they seemed to have learned to live well in the

By the afternoon of the first day, we reached the Fortula Pass, at 13,500ft, the highest point between Leh and Srinagar. The mountains here fold into even stranger and



wilder formations than around Leh. There are walls of brown and yellow like those of the Grand Canyon, Dolomite-like spires of grey and black, and purple craters which might belong better on another planet. "The moonscape viewing point," said a sign, pointing out the

Below the pass, the landscape gradually became greener and the villages larger. Among them was Mulbekh, site of a 2,000-year-old statue of Buddha carved out of a single rocky outcrop standing by the road. We stopped to stare at its enormous bulk. The priest stared back at our children, perhaps the first white children he had seen.

Exhausted, we reached Kargil, the only town between Leh and Srinagar and our halt for the night. The Caravan Serai Hotel was about to close for the season. But the owner, Mr Jobal prepared two bedrooms and a supper of lentils, rice, boiled potatoes and cauliflower.

He apologised for the service, explaining that things had been better "before the militancy". It was the first reference we had heard to the insurgency which has left at least 10,000 dead in Kashmir since it broke out in earnest in

The following day, evidence of the fighting multiplied as we crawled closer to Srinagar. Leaving Kargil, the last outpost of Buddhism, we drove into the heartland of the troubled Moslem region of Kashmir. The

'Evidence of the fighting grew the closer we crawled to Srinagar'

landscape was as spectacular as the day before, but less barren, with grass and trees on the lower slopes of the Drass Valley and the Zojila Pass, the only gateway between the heart of Kashmir and Ladakh.

Our impressions were dominated by the presence of the army, which controls the route. Soldiers with machine guns man outposts along the single track road. The traffic is one-way - in the morning and early

afternoon traffic it moves from Kar-

gil to Srinagar, then the other way

An army convoy heads the queue in each direction, spewing diesel fumes and stopping frequently to make sure that even the oldest vehicles do not get left behind. Then come taxis, buses and lorries. We drove just behind the army, staring for much of the way at the machine guns of three soldiers sitting in the last jeep. The soldiers became nervous as they reached closer to the top at the pass, scene of one of the few pitched battles of the insurgency.

But even here, nature demanded as much respect as the militants. The army trucks stopped one by one for the drivers to worship at a small Hindu shrine, a memorial to dead sappers. Since the road at this point clung to the face of a 3,000ft cliff, it was, I felt, an appropriate time for prayer. Even the children were quiet for a while, awed by enormous slabs of rock, guarding this, the entrance to the Himalayas. Below the Zojila the road was asy, winding down a gentle valley

to Srinagar. But the army became

more and more intrusive. In 50

houseboats were moored by flowerfilled gardens. Kingfishers perched on the decks. Ramzan, the bearer, brought tea and home-made scones. But even here, the effects of the fighting were visible - in the empty pages of Mr Butt's visitors' book and in the rotting timbers of the boats he could no longer afford to maintain. The boatman mournfully looked at our children and said: "Yours are the first white children f have seen in five years."

miles, we were stopped six times at

sand-bagged checkpoints.
As foreigners we were treated rea-

sonably well, unlike the Kashmiris,

who hate the soldiers as much as

the soldiers seem to hate them. We

saw about 20 men standing in line

along the road, while soldiers

searched their bus, throwing the

In the late afternoon we finally

reached the lovely green lakes of Srinagar and the comfortable houseboats of Mr Ghulam Butt.

After the rigours of our journey, I

immediately knew what a Mughal

poet meant when he said of Srina-

gar: "If there is paradise on earth, it

is here, it is here, it is here." The

luggage out into a roadside ditch.

quaint habit of proclaiming various venerable personages living treasures - to be cared for and looked after much in the same way as the British list their buildings or the

if Ireland were to adopt the Japanese system - instead of waiting until anyone is well and truly dead before proclaiming him or her "a great character and a credit to the nation" - my friend Arthur McCoy would be a prime candidate. Nothing like settling back in

the warm seat of a Dublin bar after a long absence from the country and listening to Arthur ("The Real") wind himself up to tell a story.

Arthur is to the meat trade

what Coco Chanel was to fashion or Henry Ford to the motor car. Arthur knows every meat mart and abattoir in Europe. He knows the trade's every wrinkle. Arthur was once hired as a meat detective, tracking down container loads of beef that had gone missing under mysterious circumstances. "Once I saw a wagon going

the wrong way on the Auto-bahn in Germany. Instead of heading for Syria it was going to Finland. When I finally caught up with it there was one rump steak left in it. Driver had met up with a girl in Hamburg and done a run-

ner.
"I had to go down to his mother's house in Kerry looking for him. She starts cry-ing saying she didn't for the life of her know what had happened to her Shane. I says to her that while I sympathised with her I didn't know what had happened to my container

load of meat either." As every raconteur knows, it is not just the story, it's the way of telling it. Arthur had a serious car accident recently. He stands to tell the tale, a large vodka and red lemonade in one hand, a cigarette in the other - waved round like a conductor's baton at moments

of particular emphasis. "Wait till I tell you now." he says in that Dublin growl similar to sandpaper being scraped across the bottom of a bird

Your knee is tapped to ensure full attention. Arthur clears his throat and casts a masterly eye over his audience in an effort to achieve some degree of quiet.

The first thing I admit was that I was stupid. There I was happily belting along the



Articulated truck v articulate Arthur

Kieran Cooke returns to old Dublin haunts and has a close encounter with a master raconteur

motorway in Northern Ireland. not a care in the world. Next thing I know the car is entered for the 3.30 at Cheltenham and is leaping up over the barrier, doing a somersault.

"Out through the front window I go and I'm sliding along the other side of the road. Now while all this is going on I'm thinking that I'm going to ruin my suit. Funny what comes to mind at such times."

A gulp of the drink followed by a deep puff of cigarette ~ removed from the lips with all the flourish of Pavarotti using his handkerchief.

"An articulated truck is coming the other way. I can hear the tsuk, tsuk of the brakes." (Arthur is bent down, imitating a container truck. He is pulling on handles and pressing brakes. The vodka red tosses about in the glass but not a drop is spilled.) "I see the smoke coming

from the tyres and the radiator with the word Volvo getting bigger all the time...next thing I know I'm in an ambulance with an Ulsterman asking am I all right. For a second there I wondered which place I was in. I introduce myself and say that

I never felt better." "Anyway," (another tap on the knee just in case your attention is not entirely on the matter at hand) "they have me up in court. Now I was cute about it." (A knowing wink and slight inclination of the

head here.) "I used my full name -Arthur Lesley McCoy. You see the Lesley is very important in Northern Ireland. It shows them I have a foot in both camps so to speak. They can't really decide whether I'm one of them or one of us." (Coughs, choking laughter. Drinks all

round.) "Come here while I tell you. The magistrate asks what have to say for myself." "Well, your worship, sir, nothing."

"Nothing Mr McCoy?" says he, raising a quizzical eye over his half glasse "Well, your lordship, I'm

guilty. You have me fair and square. Carelessness. Foolishness. I was going too fast. Daydreaming. Lost control and over she went. I'm very sorry. The magistrate takes off his

glasses and rubs his eyes." Arthur, taking a gulp of his drink, does the same, massaging his palm round a couple of bloodshot sockets. "Mr McCoy," says your man. "By all accounts you had a very close shave with death.
"I would describe it as more

like a photo finish your honour," says L With that the whole place was laughing. A £100 fine and I

Truth of the Matter/Nigel Spivey

clination of Birt's BBC to fol-

low Reith's pattern of edifying Sundays is just about pardon-

able. What is less comprehen-

sible are the complaints voiced

at the Edinburgh television

festival recently by Greg Dyke, erstwhile head of London

His concerns are twofold:

first, that "in commercial

broadcasting, the delicate bal-

ance of being both a business and a broadcaster is in danger

of being too dominated by

ernment and broadcasters is

The logic of this double

grudge is odd. He wants the BBC's transmission system to

be privatised ("to take it out of

becoming a dependent one."

Weekend Television.

Golden serials for tea

when it strikes. You have unloaded the shopping. You have grappled with all 12 sections of the newspaper, and won. The dishwasher chuckles comfortingly. The dogs are in their baskets and the kids glued to their computer terminals. But then there is the terrible feeling of something missing in

Where is the classic serial? Like a shot of guilt, or irredeemable nostalgia, you register this absence. Once it was always there, as regular as vespers. It might be Louis Stevenson, it might be E. Nesbit or, best of all, a tripledecker Dickens with Arthur Lowe (of *Dad's Army* fame) playing Mr Micawber. For about an hour, every

thing was right with the world with a giant pot of tea, pyra-mids of buttered toast and the television (for once) serving as a genuine focus - a place where families might huddle and coalesce: a flickering, gladdening, substitute hearth. It was, of course, Lord Reith's BBC, or the vestiges of it; and everyone knows that Reith, on record as regarding television as "a social menace of the first degree", brought the full weight of Scottish Presbyterianism to Sunday broadcasting. Until 1957, in fact, Reith created a break in transmission early in the evening in order not to distract

Before the break, there would be a play for children, perhaps a Shakespeare adaptation; afterwards, something contemporary (say, J.B. Priestiey) or "classic" (Chekhov, Shaw, O'Casey and many oth-

ers): the range was formidable. That this aspect of Reith's Sabbath has disappeared will be defended aggressively by the present BBC and its director-general, John Birt. Back at the birth of television (it will argue), we were accused of depriving children of the delights of reading novels by themselves. Now, you beg us to adapt those novels for the screen and, at the same time (to preserve your weekend lie-in), to wean those children on the same bland pabulum of morning cartoons as the comwants it "to be told that it is not the role of the BBC to get involved in the commercial marketplace". Otherwise, he claims, the raison d'être of the

For a patent example of television's vulnerability to state naternalism, one has only to look across at Silvio Berlusconi's Italy where the viewing public has, effectively, become one politician's audience. The politics of the licence business"; and, second, that "the relationship between gov-

licence fee is gone.

what one might call its ethics, or even its aesthetics. Vested interests always will intimidate the production of probing documentaries: but what has happened to that old article of faith in the BBC: that televi-

sion is Britain's only truly

Lamenting the loss of the classic Sunday serial might seem about as fogevistic as bemoaning the lack of woodcuts in the Radio Times, and equally futile. And deploring Birt's commercialism is too commonplace to repeat here.

Yet, it remains frustrating to know that the BBC has, via the licence fee, the capacity (witness Middlemarch) and the power to create television that is not only culturally magnetic gathered around it. A measure of paternalistic intervention is absolutely what we need.

To pray for the blessing of the good Lord Reith on our Sundays might be in vain but I, for one, shall do so



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TRAVEL

A moss bed under a blue night sky

Nicholas Woodsworth enjoys the simple beauty of Finland

those modern Finnish towns that pop out of the endless forest with no warning, I stopped and bought a few cassettes for the car. Back on the road, I turned up the volume and let Sibelius's dark, brooding spirit crash and swell and roll out of the windows into the wilderness. When travelling in Nordic countries, one should always be well stocked with melancholia.

The odd thing on this trip, though, was that through all the great outdoors there was no corresponding echo to the composer's cry of angst. I had taken other trips when the whole Nordic world dull, leaden, gloomy - had seemed to me to want nothing more than to slit its collective wrist. But this was a perfect early summer's day, as light, carefree and guiltless as the breeze dancing through the pines.

Savo, the vast Finnish lakeland that stretches along the Russian border, sparkled in the sunshine. So complete is the meeting of earth and water here that I was happily confused, not knowing whether I was driving through forest sprinkled with 1.000 lakes or across an inland sea sown with 1,000 islands.

It was a perfect time of year, too late for spring snowstorms, too early for mosquitoes or tourists. Along the roadside, stands of silver birch fluttered in tender green leaf. New rye sprouted in fields where, here and there, the thick walls of the forest had been hacked back. Wooden barns, freshly painted, glinted bright, brazen red. The world seemed young and hopeful.

Most extraordinary of all, contrary to everything we have ever learned about the fleeting nature of sunny summer days, this was a sunny summer day that was not going to end, at least not for many weeks. Savo lies just below the Arc-

In high summer locals forget the

our or five hour's drive soul-chilling winter that devours out of Helsinki, in one months whole and stuffs them into its long black maw - around the mid-summer solstice, when the sun barely dips below the horizon, the darkness of night is unknown. For gloomy Finns, shut up in obscurity

> about between lakeshore and forest, on a little chain of islands set in a

> through the narrows past the town. But the big lure of the place now is an event shorter even than summer itself - in July, Savonlinna is transformed from a sleepy little northern town into a tourist attraction as, night after sunny night for month, Olavinlinna Castle plays host to one of the world's northern-

> any castle in Britain or Spain. It was built more than 500 years as an outpost on their Russian frontier, I read as I settled down by the water with my guidebook. I was so used to the idea of Swedes as gentle makers of diet crackers and givers of peace prizes that I had never considered the possibility of a vast and aggressive Swedish empire.

> Lesser Wrath, endless invasions

for most of the year, this is a short, zany time, a period of incandescent Following small roads that wound

I drove to Savonlinna, a town built channel between two great lakes, Haapavesi and Pihlajavesi – as Finnish names go, they are among the more pronounceable

In the 1920s, Savonlinna was a busy centre for the steamship companies that provided transportation when the water was not frozen solid - through the lakeland area. Today, small lake freighters, barges and passenger boats still chug

most opera festivals.

Who, for heaven's sake, would build a medieval castle lost in the forests of the far north, I wondered? But Olavinlinna, an island-fortress of brick towers and stone walls rising from the waters of the channel, is as substantial and imposing as

ago by the powerful Swedish empire I read on. The Great Wrath, the



and famines, cedings and border changes, 200 years of domination by Russia - Finland, it seems, has spent most of its existence being batted about between one northern power and another.

I read late into the night under a bright sky. By the time I looked up, hours had gone by, and I decided to wander along and see how small-town Finland coped with the midnight sun.

As in small towns everywhere, there is not a great deal for young people in Savonlinna to do, so they have devised their own solution. They drink. Perhaps it was because it was a Friday night, or because school holidays had started. Perhaps it was the pressures of Finnish history, or the manic phase the short summer season brings on. Whatever the reason, the young men and women of Savonlinna, as most Finns seem to be, are heroic tipplers. At midnight they were out on the streets in force and weaving about like bingeing sailors.

any Finns drink outside because the bars are impossibly expensive, and that is fine by me. But somehow, armies of drunks throwing up in bushes and peeing off bridges are a little hard to take in the full light of day. On the other hand, if I spent nine months a year in a deep-freeze with the lights out, I am not sure I might not celebrate summer with a drink or two as well.

The whole town was still sleeping it off when, early next morning, I placed a heavy rock in the bow of my rented cance and paddled away from Savonlinna and out into an endless world of lakes and islands.

Attractive when seen from the shore, Savo is spectacularly beautiful from the water.

The Finns are a curious lot, moody and inward-looking. If they have a wild aspect to their character, they are also profoundly attached to the subtle and secret world of nature that surrounds them. There is nothing more important for urban Finns than to quit the city occasionally and find their roots again in the great outdoors. Most have a cabin somewhere on a lake, a river or deep in the bush and, in summer especially, a return to such peaceful places is a ritual.

Bright mauve Illac bushes, neatlytrimmed lawns running down to the water, white-painted flag-poles flying long permants of the Finnish colours, boats rubbing against wooden docks, busy elderly ladies in gardening hats - at first the

Address.

shoreline that I paddled past was a

version of suburbia But as I began to lose myself in an archipelago of rocky pine-covered islands, the properties became less frequent and cruder. A small cabin set back in the trees, a boat pulled up on the rocks, a weathered sauna beside the water - Finns like

to be close to nature. There is a northern beauty that is like no other beauty: nothing but wood, water and stone covers the face of the earth. It is a simplification that brings great peacefulness. At the same time the extreme harshness of the climate can produce intricate designs: twisted and writhing branches, sculpted cones,

the finest covering of needles. I travelled for hours, the cance gliding between islands over clear dark water laced with a skein of yellow pollen from the pine forests.

Once I was startled when a vast, naked Finn charged out of his sauna and with a great yaaaaagh! hurled himself down a long wooden

Otherwise, calm reigned. There was the regular lift and fall of my paddle, the call of birds from banks of sedge, the occasional faint thok of wood being split beside a distant cabin. When evening came, I stopped at an uninhabited island. Tired, I lay down in moss as thick and soft as any mattress, and under a bright blue sky that refused to go

dock and into the lake.

away, fell asleep. As well as Savonlinna there are towns nearby offering hotel, farm and simple cabin accommodation. A good way to experience Savo is through a canoe/camping expedition. Niskanen Harri of Savonlinna (tel: 949-673 055; fax 957-273 101) rents canoes, houseboats and sailing boats.

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Paddleboat pampering on Big Muddy

Christina Lamb cruised part of the Mississippi on the Delta Queen, an historic steamboat fitted out like a floating palace

t takes just one blow of a steamboat whistle on the quay at New Orleans to find yourself transported into the storybook past of the Mississippi paddle-boats. Like multi-tlered wedding cakes, they churned the muddy waters with their giant wheels, transporting men in Sunday suits and women in be-ribboned bonnets towards their dreams.

The Delta Queen is about to set off. The great red wheel starts churning and a top-hatted man on deck taps out a reedy version of "Toot toot tootsie, goodbye" on the calliope (or steam organ), sending puffs of smoke out of its shining brass pipes. In Life on the Mississippi, Mark

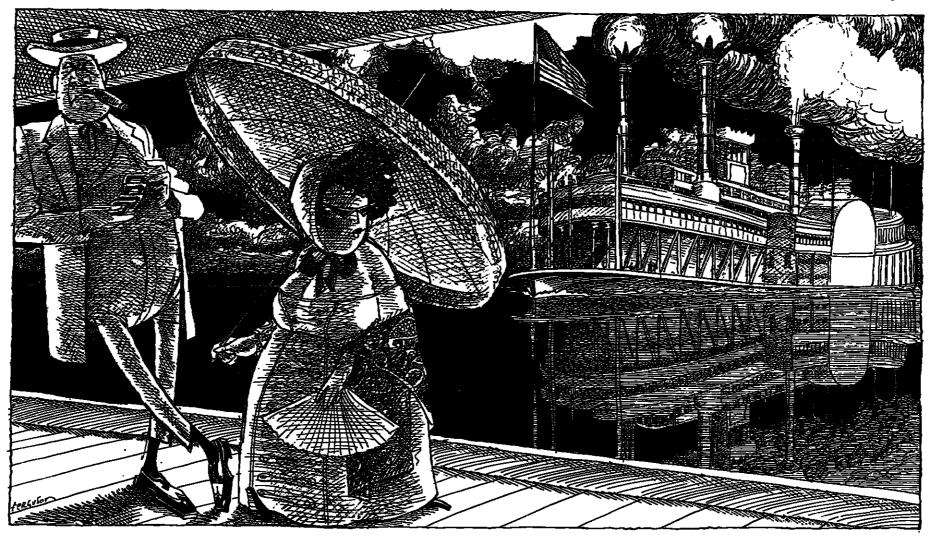
Twain wrote that it was every boy's ambition to be a steamboat man Generations of children brought up on his books have fantasised about running away from home and following in Huckleberry Finn's footsteps along the great, brown river.
For a not entirely modest sum. the Delta Queen Steamboat Com-pany offers the chance to slip away from modern-day stresses and live out that fantasy on one of its two paddle-wheel steamboats. Some people prefer the Mississippi Queen with such modern amenities as cin-ema and pool. But, for romantics, there is no choice but its elderly relative, the Delta Queen.

Now in its 68th year of operations, the *Delta Queen* is the oldest steamboat in the world offering cruises, and has been declared a US national historic landmark. It is like a floating palace with teakpanelled state-rooms, brass fittings and Tiffany-style stained glass. As a result, it is easy to imagine the days when silk-clad ladies sat doing embroidery while the men played poker in the for ard bar.

The Delta Queen runs tours of between three and 12 days through America's heartland. Wanting to do things properly, I opted for one called "The Old South", which promised to "recapture the ambience and history of this gracious way of life".

The scenery on the 682-mile round trip from New Orleans to Vicksburg, on the lower Mississippi, is disappointing. Known as the chemi-cal corridor, the banks are lined with refineries and petro-chemical plants spewing out yellow smoke and thick oily globules. But you do not take a trip like this for the

Nor for the excitement. Progress.



is so stately that the boat is often overtaken by cyclists. Fellow passengers tend to be over 65 and like wearing name tags. For those who do not relish playing hingo or dress-ing up for floozie parades, day-time activities consist of reading the daily Steamboatin' Times and flying kites (which usually end up tangled

Nights in the bar are spent listening to the quavery crooning of the ever-smiling Charlotte Champagne or dancing in the Orleans room, where tireless Bob Schad is a whizz on the banjo. But even the most energetic soon settle into the slow rhythm on-board, punctuated by occasional sightseeing stops and frequent large meals of local delicacies such as alligator and catfish.

The main pastime is river-watching from one of the rocking chairs on deck. T.S. Eliot called the Mississippi "a great brown god", and it captivates quickly. On waking in the mornings, we could see it at its most mysterious, swathed in a low mist from which the tops of submerged trees poked through. At night, under the silvery glow

of a full harvest moon, it was almost beautiful. But it was at its most soulful during the day, the Delta Queen nosing through thick, chocolate-brown water which even the US Army Corps of Engineers cannot control as, flush with spring rains, it changes course and bursts banks to show that it is not to be messed with. Known as Big Muddy, the Missis-

sippi is the longest river in the US, draining all or part of 31 states on its winding, 2,500-mile journey from the hills of Minnesota to the Gulf of Mexico. It is also America's hardestworking waterway, carrying 500m tons of cargo each year in enor-mous, snaking lines of connected barges. These, as long as five football fields, tend to take up the whole river as they round bends.

There is so much traffic that the Delta Queen's jovial Captain John Davitt compares the river to "driving on an interstate highway". But while motorway drivers may go faster than 7mph, they do not have sandbanks and floating loss to contend with. Avoiding these obstacles, and the barges, requires great skill from the river pilots who drive the

steamboats. And becoming a pilot is not easy: the licence is granted in 20-mile segments and those applying have to draw, from memory, every turn of the river, sandbar, bridge and buoy in that stretch.

The Delta Queen's stops are orchestrated to shield passengers from contact with the 1990s. although it is hard to avoid the tinroofed slums and proliferation of riverboat casinos (to which many of the crew slip off).

On our first morning we moored at Oak Alley, a Greek revival-style, antebellum plantation house painted candy pink and reached through a grass alley of 300-year-old oaks so gnarled that the branches touch the floor and meet overhead to make an archway. Inside the

drawing room, a painted wooden screen stands in front of the fire: it used to prevent beeswax make-up, layered on to cover smallpox scars.

melting into the ladies' laps.

Our next stops were St Francisville, a pretty town under a veil of Spanish moss, and Natchez, home to more than half the country's millionaires in the 1850s. Louisiana was the centre of the plantation economy and the lower Mississippi area is dotted with large, colonnaded houses, built mostly between the late 18th century and the civil war to show off the wealth generated by cotton, indigo, rice and

Every year, during March, many of these private mansions are opened to the public to show off opulent (and often tasteless) interiors, plus gardens resplendent with magnolia and dog rose blossoms. Their lavish settings, and names like Rosedown or Nottoway, inspire romantic images of crinolined belles and dashing beaux with waxed

moustaches.
Finally, we came to Vicksburg, which is positioned on a steep bluff overlooking the river. During the civil war it was a Confederate stronghold defending the whole of the lower Mississippi. In May 1863, General Grant's army marched on the town; when the Confederates refused to surrender, he ordered his army to starve them out. The bloody siege lasted 47 days. Now, in the immaculately-kept Battleground Park, the old cannons still point at each other while red and blue markers show where the Yankee and rebel troops fought.

Each stop we made was marked by a huge puff of steam and a frenzy of calliope-playing. Locals or camera-toting tourists gathered on shore to wave us off, recalling the "Steamboat a' comin!" days of last century when paddle-wheelers like this used to rule the river.

The Delta Queen was built in a Glasgow shipyard in the 1920s for the Californian Transportation Co. Its owners poured \$875,000 into beauty. Used initially as an overnight dinner cruiser between Sacramento and San Francisco, the depression forced its withdrawal from service until Pearl Harbour. Then, it was requisitioned by the navy, painted grey and used as a

troop transporter.
Since then, the Delta Queen has passed through various owners and overhauls. It even survived congressional legislation passed to prevent the operation of wooden boats after a tragic fire on a cruise-liner.

The most spectacular part of the boat is the engine room. Passengers are welcome to see the pistons driving a 40ft-long Pitman arm connected to a crankshaft which turns

the 44-ton paddle wheel. Every so often on steamboats, pressure from the boilers gets so high that it has to be relieved through a safety valve - the origin of the expression "letting off steam". After a week being pampered on the Delta Queen, I can think of no better place to do that.

Christina Lamb travelled with the Delta Queen Steamboat Co of 30 Robin Street Wharf, New Orleans.

Mexico's version of Hallowe'en

Bernard Simon joins a colourful and intense celebration of death in the south-western state of Oaxaca

t is 2am, and Atzompa cemetery is coming to life. A brass band has struck up just inside the arched entrance. Family groups, their faces illuminated by hundreds of candles, are crouched around the graves, arranging the marigolds, loaves of bread, skullshaped sweets and ornaments which festoon each mound of earth. More families, laden with decorations, are streaming in along a dusty, moonlit path from the nearby village.

The night of October 31 marks the official start of the Dias de los Muertos (Days of the Dead) festival, when Mexicans celebrate death in a fusion - and profusion - of Christian rites and pre-Columbian tradi-

The festival, which reaches its climax on November 2, All Souls' Day, is observed in many parts of Mexico. But it is at its most colourful and intense in villages like Atzompa, in the south-western state of Oaxaca, where the pre-Columbian Zapotec culture flourishes.

There is nothing morbid or macabre about the Days of the Dead, but Mexico's version of Hallowe'en has more serious overtones than North American trick-or-treating. It is a serene, even a joyous. occasion when the living are reunited with the spirits of their dead relatives, while contemplating the transience of their own existence.

No effort is spared to welcome the returning spirits. Senor Velasquez, affable proprietor of the charming Las Golondrinas (The Swallows) Hotel in Oaxaca city. sets aside an entire room for the elaborate altar which is the centrepiece of every family's celebration. The Oaxaca municipal authorities sponsor a competition for the best altar. Las Golondrinas has yet

The celebration is not confined to homes and cemeteries. Oaxaca's street markets are stocked with altar and grave decorations in the days leading up to the Dias de los

to win, but the certificates hanging

in the guest lounge attest to its

round loaves of slightly sweet bread, known as pan de los muertos. The loaves come in many sizes, but each one is decorated with an angel face or skull painted on a small

Activities around the tree-lined main square include a fireworks display, live music and parades. Unfortunately, a North American twist has started to creep in. Urchins shouting "Hallowe'en, Hallowe'en" try to prise a few pesos from patrons at the outdoor cafes lining the square.

Our excursion to the cemeteries started just before 11pm on October 31. It was a chilly night, but Alberto, our guide, had brought along a few bottles of mezcal - firewater made from cactus juice. We were also each given a taper candle, decorated with strips of col-

Atzompa was our first stop, but the work of decorating graves had barely begun at 11.30. We resolved



A night of vigit no effort is spared to welcome the returning spirits

at two cemeteries in Xoxocotlan, another barrio on the outskirts of Oaxaca. A vendor of "hot dogs exquisitos" was doing a brisk busi-ness at the entrance to one. At the other, some youngsters, presumably bored with decorating graves, arranged to form an elaborate, brilliant red gladioli, mixed with grasshoppers.

Where only the Buddhas grow fat

had gathered around a ghetto- life-sized white skeleton adorned

Activity was both quieter and more intense around the graves. Women did most of the work. At one grave, coloured sand had been

with an over-sized green and yel-low head-dress, also fashioned from sand. Dozens of votive candles circled the family's work of art. The head of the grave was a mass of

Most families stay up all night. They need to complete their grave and altar decorations by 4am when, spirits of dead children return to earth. The spirits depart again for the netherworld about four hours later, when the tiny candles which commemorate them are snuffed

orange marigolds.

The adult spirits supposedly arrive during the afternoon of November 1, when the coloured strips on the candles are replaced with black ones, and depart early on the morning of All Souls' Day.

But we returned to our hotel in Oaxaca even before the younger spirits had made an appearance. Our minds and bodies had succumbed to the mezcal.

■ Oaxaca is 400km, or a 50-minute flight, south of Mexico City. There is also a luxury bus service, which takes about eight hours. The most comfortable hotel in Oaxaca is the stone-walled Stouffer Presidente, converted in the 1970s from the 16th century convent of Santa Catalina. More moderately-priced hotels include Las Golondrinas, which has 18 rooms facing lushly-planted courtyards; and the Hotel Trebol, which is close to the square and the Benito Juarez markei.

Other attractions around Oaxoca include the ruins of the ancient Zapotec mountain-top capital of Monte Alban; the Mixtec and Zapotec settlement at Mitla: the weavers village of Teotitian del Valle; and teeming markets selling everything from green-glazed pottery to fried

andalay, Rudyard Kipling's fabled city, has retained its drawing power. Its lyrical name, its status as Burma's last royal capital and its isolation from the rest of the world give it a tenacious hold over the traveller's imagination.

But as the visitor jolts down the pot-holed road to the sprawling, dusty city, the enigmatic image gives way to something more sinis-

Tatmadaw [the Burmese army] and the people crush the enemies of the union," screams the slogan on the fort that was once the site of Mandalay's royal palace and now serves as the army's beadquarters. It is an absurd but depressing reminder of the mentality of Burma's ruling junta, the State Law and Order Restoration Council, or

Having earned world opprobrium for a catalogue of human rights abuses and for repression of the democratic movement in the late 1980s, SLORC is sensitive about its image. Tour guides sign declarations that they will not talk about the government - a stricture enforced by government informers. Severe restrictions are imposed on tourists' freedom of movement.

For all that, only the most blink-ered tourist would fail to notice evidence of the people's suffering. For example, any visitor would be struck by the peculiarity of the Bur-

mese currency, which is chiefly denominated in 45 and 90-kyat notes. The 50 and 100-kyat notes were abolished, without any warning, by the government a few years ago. This attempt to damage the black economy cost many people

The signs of government repres-sion are noticeable even in sparselypopulated parts of Burma such as Pagan, an eerily beautiful, pagoda-studded city which has been largely deserted since it was sacked by the army of Kublai Khan in 1287. Its which opposed it. crumbling remains of over 2,000 temples and pagodas, which were erected by Burma's rulers 900 years ago, form one of the most remark-

able historical sites in Asia. Until four years ago, the village of Pagan was situated by the main temples on the plain. But at the time of the elections in 1990, the villagers were ordered - without warning - to leave their village and

their life savings.

move five miles down the road. "We provided by visiting the markets lost everything," said one villager. gesticulating at the flimsy wooden shack he now calls home. This was not an isolated incident.

In recent years, the government has evicted hundreds of thousands of people from their homes and moved them into shanty towns. The government's motive in these appar-

which generally offer a meagre showing of rice, dried fish, fly-blown meat, chillies, peppers and fermented fish paste. The poverty of the people is evidence of the mismanagement of a country which has sunk from being one of the richest countries in Asia to being one of its poorest - in spite of its natural

To the tourist, however, Burma's ing with gold and jewels. Burma's backwardness and isolation most important temple, the Shwedaundoubtedly contribute to its beauty and charm. Travelling in Burma leaves indelible impressions of faded colonial grandeur, of gilded temples, of golden rivers snaking through paddy fields and of haughty cheroot-smoking women

Visitors to Burma must live with the knowledge that tourism provides currency to sustain its regime, says Vanessa Houlder

ently pointless clearances is generally regarded to be revenge on areas

Travelling around the country, tourists become acutely aware of the Burmese people's appetite for even the most basic consumer goods. They are besieged with offers to trade old lipsticks, cigarette ligh-ters and even the shirts off their backs for opium weights and handcrafted lacouer-ware.

Further evidence of the hardship

wealth of rice, rubies, teak and oil. Burma's lack of development creates a sense of being in a time warp. Transport in Burma is largely confined to ox-carts, pony traps, bicycles and Jeeps left over from the second world war. Older British makes of motor vehicles, such as Hillman and Triumph, are spoken of with the enthusiasm usually reserved for the latest model. "British cars are the best-made cars in the world," said a tour guide solyellow make-up made from ground Also striking is the exuberance of

the people's religion. Burma is one of the world's most devoutly Buddhist countries, where nearly all men become monks for some part of their lives and most people donate a large proportion of their income to the temples.

People's generosity is such that Buddhas grow fat with ever-increasing layers of gold leaf, while the mples' exteriors are kept glistengon Pagoda in Rangoon, is plated with 8,688 solid gold slabs, with a tip set with 5,448 diamonds, 2,317 rubies, sapphires and topaz and topped with a huge emerald.

However seriously religion is taken, it remains a noisy, fun affair. The atmosphere of the temples sometimes resembles that of fairgrounds, with disco-like neon lights dotted around the Buddha images loudspeakers noisily demanding donations and a variety of astrologers, fortune-tellers and games of the sort that promise good luck if

the player succeeds in throwing coins into bowls. Perhaps the most bizarre aspect of Burmese religion is the emphasis

on spirit-worship. Burma has 37 of these spirits, which boast names like the Lady Bandy Legs, or the Lord of Five Elephants. Temple grounds often have an array of statues of these spirits, which are worshipped with an enthusiasm that stems from a belief that they will do mischief to those who do not pay them sufficient respect.

The country's backwardness makes travelling around the country something of an ordeal. Ratinfested, mildewed hotel rooms and erratic, accident-prone airplanes are part of most tours.

In some respects, travel in Burma is now easier than it has been for some years. The country is relaxing some of the restrictions it imposed after the pro-democracy demonstrations of 1988. After several years of restricting visits to a maximum of seven days, visas are now valid for

But visitors still have to contend with the exorbitant cost of visiting Burma. The official exchange rate is arbitrarily set at a level so high that buying a beer costs more than \$10. Many tourists prefer to take the risk of exchanging dollars or selling whisky on the black market, which makes their money go 15 times as far. But the value of such ruses is limited: it is hard to avoid paying hard currency for large items, such as travel and hotels.

Visitors must live with the knowledge that tourism provides much of the hard currency that sustains the regime. But those whose curiosity overcomes their scruples are likely to be enthralled by a country which, as Kipling said, is "quite unlike any land you know about".

Red Adair of ancient monuments

Historic Buildings and Monu-ments Commission was put to sleep and the more consumer friendly English Heritage was created. Yesterday the nation's biggest guns gathered in London to fire salvos in praise of

The Prime Minister supplied his vision of the future, viewed brightly through National Lottery glasses; Sir Andrew Lloyd Webber was there to do what he does best, give away money, £1m of it to help finance the Open Churches Trust, which aims to keep churches unlocked for visitors; and sounding off at full blast, Joselyn Stevens, chairman of English Heritage, described how he took on the assembled ranks of special pleaders, country landowners dreamy academics, entrenched interests, and, worst of all, archae-

ologists, and put them to the sword. Stevens' speech, with some justifi-cation, concentrated on the heritage successes of the past few years. It is hardly a coincidence that he was appointed chairman in 1992, a self-styled Terminator Three, determined to shake up a cosy quango.

He is now half-way through his allotted five year span ("I'm too old to do another term" - he is 62), and it is two years almost to the day that he announced his personal programme, a programme that caused convulsions inside English Heritage and beyond. This week in his workmanlike office in Fortress House, the defiantly bleak HQ of English Heritage, Stevens marked his per-

t is ten years now since the marks. "A hundred per cent of the strategy has been achieved".

For a man who saw off the printers in his newspaper days, and the even tougher cabal of art lecturers during his Rectorship at the Royal College of Art, English Heritage has turned out to be something of a pushover for Stevens.

He has trimmed down the staff from 1600 to 1200 and another 200 will go shortly when English Heritage's workforce of skilled craftsmen, stone masons, gilders, and the like is privatised, perhaps through a management buy out.

Royal College that it pushed up the cost by £2m. "I loathe bureaucracy", he explains. He talks with horror of friends who needed English Heritage permission to change the door knobs inside their houses. Presumably he believes that the local councils, many of whom lack specialist staff, will be less pedantic.

Stevens has dealt with the bureaucracy in English Heritage by being a one man band, a Red Adair for the heritage, swooping on crises and quickly resolving them. He takes credit for getting something done at last about the Albert Memo-

at a cost of £90m over ten years, for the nation's cathedrals and churches which are too much for a cash-strapped Church of England.

So there is a paradox. With one breath Stevens talks of ridding English Heritage of all its sites; with the other he enthusiastically takes on new burdens. He also welcomes direct approaches. The transfer to the London boroughs of mundane conservation matters in theory makes English Heritage more strategic; in practice it is Joce-lyn Stevens who dictates policy.

He came to bury English Heritage, but perversely Jocelyn Stevens is giving it a fuller life. Antony Thorncroft reports

He has rid English Heritage of responsibility for 45 of its 400 properties, most successfully by transferring its Avebury sites to the National Trust, and he hopes to get rid of another 44 by the end of the year. And he has cut down to size the London Region by handing on its powers over Grade II listed buildings to the boroughs. He was able to boast this week that while only seven London boroughs had so far agreed, with three more ready to sign up, they accounted for half the listed buildings in the capital.

London has been something of an obsession with Stevens. You might conjecture that he took on the job to wreak revenge on the London Region experts who so delayed his plans to add an extension to the

rial. He came up with the short-term cash needed to fix the Crescent in Buxton, currently the most important building in England threatened with demolition but now moving safely into local authority control. "People say I must be like King Canute. But in my case the water is coming up over my head".

His current pre-occupation is the great Ministry of Defence sell off. It owns over 700 listed buildings, including such historic and costly structures as the Royal Naval Col-lege at Greenwich and the army buildings at Woolwich. They could suddenly become somebody else's liability, and English Heritage can hardly dodge its responsibility. It has been here before. By force-majeure it has already started to care,

started this summer to construct his new James Stirling building on No 1, Poultry, no thought had been given to the archaeological potential of a site at the heart of Roman London, Crisis: Stevens summoned Lord Palumbo and after a chat extracted a promise that archaeologists could have 44 weeks on the plot and, on top, Lord Palumbo would pay £2m towards the cost.

This is the role that Jocelyn Stevens loves. He describes English Heritage as "a shippard that takes in wrecks, repairs them, and then hands them to someone else to sail". This workmanlike approach even extends to his flagship site. Stonehenge, which he accepts is "a national disgrace". He has rowed furiously with the Ministry of

Transport and the local authorities to say nothing of the Druids and the Army, about his plan to create a 3,000 acre national park on Salis bury Plain over which the public can roam and admire 450 scheduled

The typical Stevens solution is for the project to be financed from the receipts of a visitors centre on the far edge of the area. If he can knock enough heads together, and he seems to be making progress, Joce lyn Stevens is quite happy to trans-fer the most important heritage site in the nation to a local Trust which will administer the Park, with cash coming from a commercial enter prise running the centre, which could be visited by 750,000 people a year. Stevens sees it as a natural millennium project, ready by 2000.

But while Stevens is frantically patching up his ships and shoving them down the slipway others need attention. He has just handed over £1m to a trust that will cherish Pell Wall Hall, a derelict house in Shropshire designed by Sir John Soane. He recently discovered a forgotten treasure in Danson House, Bexley, which needs rapid attention. Despite his ambitions he will never be able to whittle down his quango to a few strategic sites and probably would hate the consequences if he

For Stevens pays lip service to devolution and deregulation but loves to interfere. "Although we have one foot in the past we also have one foot in the future". He has made up for the disappointment that the National Heritage Fund



Jocelyn Stavens, now halfway through his term as chairman of English Heritas

was given the task of distributing lottery cash to the heritage by taking a keen interest in potential lottery projects. He is giving Richard Rogers redevelopment of the South Bank arts centre a supportive push; he has handed the Tate Gallery money to shore up its planned Museum of Modern Art at Bankside Power station; he is airing an idea for spending lottery money on smartening up the capital's parks.

Jocelyn Stevens has a romantic view of his mission. "There used to be the US cavalry, now there is English Heritage". Undoubtedly his energy has achieved much. But as in every cavalry charge there are casualties, and not just the local gentry who find it harder to get a grant to repair their roofs; or London's archaeologists, ruthlessly

reorganised. There are the experts who could not stand Stevens' abrasive style and took their knowledge elsewhere. There are the problems that will not go away, like the ancient monuments, from Rivaulx Abbey to obscure Bronze Age barrows, that will never find a new owner to cherish them and must remain part of English Heritage's tief.

Steven's has proved that the beritage will never become the past. In marked contrast to his declared aims, through his ambition and drive, he is constantly adding to the workload of his diminished band. He came to bury English Heritage; perversely he is giving it a fuller life.

Photos for a cause

his portrait of Mar-lene Dietrich by Cornel Lucas is on show at the Saatchi Gallery in north London until September 30, but will be sold at Sotheby's on October 5 with an estimate of £300-£600.

It is part of Positive View. a major exhibition of over 200 photographs, many of which were donated by their creators and most of which will be sold at the auction to benefit two charities favoured by the Princess of Wales, DEBRA and Chicken Shed Theatre.

Among the photographers represented are Bill Brandt, Irving Penn and Annie Leibov itz, and among the striking images are the last taken of Marilyn Monroe, by Bert Stern; Naomi Campbell captured in 1990 by Herb Ritts; and Gilbert & George has seen in 1974 by Cecil Beaton.

Another opportunity to aconire a work of art and help a good cause at the same time is available at Christie's until September 21. The Royal Academy Schools want to establish a scholarship to commemorate a distinguished RA, the late Peter Greenham.

Many artists. mainly RAs. have donated works to help raise £150,000. You can buy paintings by Patrick Caulfield. Carel Weight, John Hoyland, Peter Blake, Terry Frost and more at very reasonable prices. But hurry: they are going fast.



Much ado about opera in Cardiff

rom some of the media reports this that every opera company in Britain is looking for a new building. What has hap-pened is rather that the opera companies have shown themselves to be the best prepared at putting their case for money from the national lottery.

The position at the beginning of the week was that two - the Royal Opera House and English National Opera - had drawn up plans for improving the sites they already have. To these we can now add the major development outlined by Welsh National Opera on Thursday. Alone of the opera companies, it is proposing a wholly new building. An international competition was set ir motion late in 1993 to find a suitable design and this week the Cardiff Bay Opera House Trust announced its choice.

From eight finalists the assessors selected Zaha Hadid, born in Iraq, but based in London. Her glass necklace build-ing enclosing a central auditorium looks an ambitious and striking choice. The cost is estimated at £43m, which compares well with the Royal Opera's far larger sum. Whether those dispensing the largesse from the National Lottery will see fit to hand out money to each of these rival operatic schemes must be a delicately balanced political question.

In a way it will be a shame to say goodbye to the New Theatre, Cardiff, which is currently WNO's home. The theatre may be cramped, but it has intimacy on its side. Perhaps

the company is aware of what it will be losing and has decided to schedule some favourite small-scale operas in the interim: Berlioz's Beatrice and Benedict, which opened in a new production on Thursday. might almost have been written for the theatre.

Given the popular success of Kenneth Branagh's film version of Much Ado about Nothing, it is surprising that Berlioz's adaptation of Shakespeare has not been the talk of the opera companies' newly-powerful marketing

Richard Fairman reviews 'Beatrice and Benedict'

departments. What we get at WNO comes close to being the opera of the film. Elijah Moshinsky's thoroughly enjoyable new production manages to conjure just as poetic a vision of Italy on stage as the film's camera crew did actually on location.

A warm evening light plays on the golden stone colonnades of a Sicilian villa. In the distance are blue skies over the rooftops of a small village: nearer to hand family and guests are preparing the evening meal, tonight's menu being generous helpings of pasta. The scene is wonderfully airy and convivial, like the opera itself. Moshinsky has devised a beautiful, naturalistic production with help from his designers, Michael Yeargan (sets), Dona Granata (costumes) and Howard Harrison (lighting).

It is a mark of his care tha the performers move so easily from Shakespeare to Berlioz and back again without dropping a stitch as they knit together their characterisa tions. Sara Fulgoni makes a spirited Beatrice with curly red hair and reading glasses. clearly a girl with a will of her own. It helps that she has an individual voice, a shade bigger, more biting and more boldly coloured than usual. Nor does Donald Kaasch's laidback, shabby soldier of a Bene dict have any less personal

magnetism. Rebecca Evans as Hero and Patricia Bardon as Ursula join Fulgoni for Berlioz's delectable duets and trios, carefully disguising the very different qualities of their voices. It is not their fault that Donald Maxwell's comic Somarone with a disparaging dislike for tenors and viola-players came close to stealing the show, though Moshinsky might tone him down a notch or two. Indeed, the same might be said of the orchestra under John Nelson, an experienced Berlioz interpreter who sometimes overestimated the volume necessary in

this small theatre. Berlioz described the opera as "a caprice written with the point of a needle", which really is possible here. With seats for 800 more people the new operahouse will demand a bigger repertoire to match, but then that is the project's very aim. Welsh National Opera is not a company that has ever been short of ambitions

Beatrice and Benedict sponsored by Swalec

en how to her female employees back nervously away, voices drop to an awe-struck whisper as Madame sweeps majestically into the room. For just over a year now the director of the Romanian National Opera in Bucharest has been Eugenia Moldoveanu. Much as Barbara Jefford epitomised the diva in Fellini's And the Ship Scils On, so this beautiful and imperious ex-soprano (she sang at Covent Garden under Colin

Davis) has "prima donna"

A prima donna gets her show on the road

As the Romanian opera plans its trip to Britain, Martin Hoyle visits the company in Bucharest

She has a hard task. It is not pre-empting my musical col-leagues to note that, as in many ex-eastern bloc countries, the current operatic production style is less Cecil B. de despite such nods to chic as a

emblazoned on her as if by faintly ridiculous ballet The Verdi was seen for a single Central Casting. (Nabucco) and hints of lesbianism (Samson et Dalila, where Delilah's enjoyment of her handmaidens caresses explains much of her attitude towards Samson).

Nabucco and Samson will be touring Britain from this month with Madama Butterfly.

performance in an outdoor per-formance at Rochester Castle last year when robust attack garnered an unexpected crop of favourable reviews. The English promoter has been disconcerted by new touches in the design and choreography. Long and bitter arguments

agency Artexim. This organisation illustrates the difficulties of a new mixed economy. Rumour has it that some of the old regime's place men have made a comeback, even in the corridors of the ministry of culture. Pressures of another sort are exerted by the private sponsors now vital to state enterprise; for Romania too has its multi-mil-lionaires, white-suited, onennecked, jewelled crucifixes on bare chests, boasting Italian connections and not to be

> Because private sponsorship is a recent phenomenon, patrons are not quite sure of their function. The news that the tour of a 200-strong tour, from Bristol to Edinburgh. entails a certain risk and might not accrue a jackpot profit, has taken some time to sink in. Allied to continual pressure from officialdom, the resultant hiccups in negotiation have resulted in brinkmanship up to the moment the trucks began to load the scen-ery for their ten-day journey across Europe.

questioned too closely on the

source of their new wealth.

have ensued on the artistic

front with the state-subsidised

But at last the company is trundling towards an unsuspecting Bristol where the tour opens. Financially things are patched up, politically there

are a few bruises. Musically the company shows the symp-toms of the new freedom. The outstanding Butterfly, between engagements in Vienna and Paris, has stipulated no more than a handful of appearances. The company fields three Cio-Cio-Sans. I heard the third in Bucharest: movingly acted, intensely projected, even turn-ing strained higher and lower registers to advantage with dramatic use of words, she enjoyed the most integrated production of the three works on offer. In Butterfly the dead hand of tradition has been bro-

ken and a sacrosanct 40-yearold production has been con-ceded "refreshment" by a young director and designer. possibly because the octogenarian director is in no position to object - unlike the begetter of the Nabucco and Samson stagings, officially replaced but still a potent power in the wings.

The young Stefan Neagrau, only recently elevated to artistic directorship, has a background in film and ambitious ideas that align him with such internationally known Romanian directors as Serban and

Pintile. His previous productions, including an Elisir d'amore with Dulcamara dispensing prohibition-era whisky and Nemorino signing on not for the army but the secret police, marks him as a member of the "producer's opera" era. Of course, there are some who prefer the old style, in art as in politics. The Romanian National Opera is at the crossroads. It must fight free of both Loadsamoney philistinism and bureaucratic politicking. But then the same might be said of

The Romanian National Opera opens in Bristol on Sept 20, visiting Oxford, Sunderland, Edinburgh and Canterbury. A concert performance of Nabucco will be given at the Albert Hall on Oct 17.

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The age of masked balls and hedonism

William Packer delights in 'The Glory of Venice' at the Royal Academy

Did young people take their pleasure when the sea was warm in blay! Balls and masks begun at midnight, burning ever to mid-day . .?

rowning's ironical lament was written when the snuffing out of The Most Serene Republic by Napoleon was still, if only just, a living memory, and Venice herself at her lowest ebb under the Austrian heel. To look back to the 18th century, the period of this exhibition, was then indeed to look back to a golden age, albeit the impalpable gold of a set-

The Glory of Venice? In turning to the second and last extraordinary creative flourish in the history of that constantly remarkable city, the Royal Academy completes a double begun 11 years ago with The Genius of Venice, which was that of her artists of the 16th century, from Bellini to Titian and Veronese. By the time of the birth of Gianbattista Tiepolo in 1696, a full century on from the death of Tintoretto, the days of Venice as one of Europe's great powers had long gone, yet her social authority and creative energles, at least, were undiminished Here she was at the turn of that last great century with churches and palazzi still to build, and the world

With such artists as Sebastiano Ricci and Piazzetta at hand, and Francesco Guardi, Canaletto and his nephew, Bellotto, and Canova and the younger Tiepolo, Domenico, all to come, here surely was a team that only the century of Titian itself could outplay. Above all, there was the great Tiepolo, Gianbattista, bestriding his times as Titian bestrode

1Doug

Francisco Company

Given such evident accomplishment - and there are moments when the pyrotechnical magnifi-cence of it all, whether of the regattas and festivals of Carlevaris and Canaletto, the castles of Bellotto or the soaring compositions of Tiepolo, quite takes the breath away - what then had changed? For here we have the sacred and the profane in subject-matter, just as we had with Titian and Veronese, and certainly,

the last great exponents of the great

Yet suddenly how worldly it has become. But, you might say, was there not a certain splendid worldliness in Veronese, for example? Yes, indeed: but that quality now, in the 18th century, seems to take on more openly hedonistic an aspect, flippant at times and even cynical. And what is cynicism but a kind of civilised despair. How flightily Sebastiano Ricci's angel kicks its heels at its visitation of St Peter. With what wicked a toss of the head Piazzetta's angel flirts with its assorted saints - none of these artists stands any of that nonsense of the sexlessness of

How well-seen and physical in the modelling, how womanly, is Tiepo-lo's Virgin of the Immaculate Conception, and how easily he slips into the franker if still discreet eroticism of the delicious Armida with Rin-aldo in her garden. "Was a lady such a lady, cheeks so round and hips so red,/ On her neck the small face buoyant, like a bell-flower on its bed./ O'er the breast's superb abundance where a man might base his head." And if we can take our eyes off what is going on, we find the painted surface no less physical, folds and foliage alike handled with a bravura freedom and sophistication that are unsurpassable.

And of course life itself goes on,

to be celebrated as much in the mundane commerce of the city as in its festivals. With Carlevaris it is the state procession on the Grand Canal: Canaletto gives us both the fun of the Regatta and the teeming wharves of the Bacino: Guardi takes us into the masked gaming halls of the Ridotto. We follow Longhi through the incidental social round and go al fresco with Domenico Tiepolo to one of the most humorously delightful parties in the show, with his masked dancers prancing so neatly, footing it featly.

It is one of the many strengths of the exhibition that artists hitherto under-played, such as Domenico Tiepolo, Carlevaris and Longhi, even Bellotto and Piazzetta, now come into their own. The three Bellotto paintings, of Verona, Dresden and the castle at Konigstein, are



Noir has just completed its 12th flourishing season. Set on

the edge of the Dordogne, the

musical junket in the territory

of pate, confit and truffle prof-

divided into themes under the

include the region's Roman-

concert from a cultural centre

to a medieval cathedral in the

formers and strings to wilt.

British presence. This year the

nervous thoughts of that

famous murderous ledge on

the cliff-face of Roque St-Chris-

tophe's troglodyte city-fortress. still gleefully pointed out as

the Englishman's leap. More

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prefigure the northern realist schools of the next century, and the work of such artists as Kobke and Eckersberg. The drawings of heads by Piazzetta, too, of young men and women flirting together, is a revela-

more was not made of the drawings of Longhi, here represented by but two indifferent examples.

It is altogether a magnificent show, and "Glory" is indeed the right word for it, if only we are worldly and uncensorious enough

worldliness. "And what of Venice and her people, merely born to bloom and drop,/ Here on earth they bore their fruitage, mirth and folly were the crop: / What of soul was left, I wonder, when the kissing

had to stop." Did she, la Serenissima, foresee that end? Perhaps: but she also knew, for the moment, that it had not stopped yet. It is that last great, sad, wonderful interval that we now celebrate with her again.

■ The Glory of Venice 1700-1800:

The Royal Academy of Arts, Piccadilly W1, until December 14; spon-Simplon-Orient-Express, Hotel Cip-riani, Hotel Splendido, Villa San Michele. Supported by Classic FM.

> of windows and one waggish cry of "Die Fledermaus!" from the audience before order and

Moser's soprano has lost col

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the diva were restored.

The bile of Berkoff

Alastair Macaulay on a double bill of decadance

here are many awful things about the world in which we live, and the actor/author/director Steven Berkoff is right to hate them. But you know what? The way he hates them only makes the world

worse.
In his current double bill at the Riverside Studios, Berkoff unleashes his usual vein of satiric hatred on the following: misogyny, lust without love, greed, narcissism, over-emotionalism, sensationalism, homophobia, fattism, brutality. and more. And, as usual, his method is to depict these things in sustained satire. He wants to lampoon the decadence of the society we know. The trouble, alas, is that his method is itself decadent.

The first, and shorter, of his two new offerings. Sturm und Drang, is about three uppermiddle-class sophisticates. The starting-point is two men airing in private their contrasting views of women. Plainly modelled on the sustained dialogues to be found in Molière's plays, and on the rhyming iambic pentameters into which Molière is usually translated into English, it also means to show us the awful shallowness and selfishness with which polished modern men discuss



women. ("My friend, it's really quite obscene./ To get your rocks off needn't cost a bean.")

Everything is shaped by Ber-koff's relish for flashy but hol-low dialogue. You are encouraged to laugh at what his

Then a woman joins them, and

her talk introduces us to other

kinds of awful shallowness and characters say and to despise

them at the same time. He should be scripting the "Great Bores of Today" cartoon in Pri-

Here, however, he is, clutching at any rhyme and any metre that will help him out. The pentameters turn into heptameters and hexameters. the iambs sometimes turn into anapaests, the rhymes become desperate ("horrid" with "vomit") or just vanish entirely. "Also I'm a bit premenstrual and my fax has broken down" is one of the better

verse lines here: no kidding. I would be less bothered if Berkoff and his co-actors performed in a less facile and flashy method. He likes his pieces to be performed with maximum show-off. Technical bravura abounds.

Thus Berkoff, Timothy Walker and Katy Carmichael zoom from fortissimo to pianissimo, run two or more sentences together in a single breath, demonstrate florid gestures (the wrist-to-forehead classic is recurrent), and so forth; and yet they also frequently chop up verse lines into separate staccati. Were it anyone else but Berkoff who spoke the line "Her. Satin. Legs. Uncross. Like. Sighs.". I would speak of unstylish delivery; but this pause-laden tech-nique is widespread here.

There follows Brighton Beach Scumbags, in which Berkoff applies his scathing satire to four sunbathers from Chingford. The play later includes two gay men; Berkoff is suffi-

Berkoff's big point here - he wields it like a cosh - is that all these people suffer from unnecessary paranoia. The fat lady thinks that the gays are laughing at her; the gays think she is objecting to them.

ills. Berkoff is of sophomoric than Harvey's current Babies at the Royal Court).

The terrible unoriginality of Berkoff's mind is made worse by his cartoon method. Derek, Dave, Dinah, and Doreen are all mere types, and there is only one fleeting moment when Berkoff has the bumanity to turn one of them into a real individual with specific peculiarities. This moment occurs late on, when Derek mends a quarrel with Dinah by suddenly lying face-down on her lap so that she can scratch his back: a moment so partica freshness like nothing else I have ever seen in Berkoff's work. (It doesn't lead anywhere here, but never mind; it

This moment apart, there is no transparency to Berkoff's art. It is designed not to draw attention to its subject matter but to the way in which that subject matter is scripted and delivered.

This constant display of technique and method, this refusal ever to submerge the ego into another character and into the larger world beyond Berkoff, is the prime reason I call Berkoff a decadent artist.

Berkoff seems to be saying, it is worth doing noisily, strenuously and frequently. Sturm und Drang and Brighton

If a thing is worth doing,

smith, Wf.

Well tuned in Périgord

Martin Hoyle visits the festival

While previous festivals have its from both compactness of vision and flexibility of lay-out. seen Haydn productions with The six-week festival is suborchestra, this year modestly fielded a three-hander by general division of Baroque Adolphe Adam. Le Toréador. and Romantic. Different series which proved enchanting. Best of concerts overlap; venues known in this country for his ballet music (Giselle), Adam's esque churches and at least one massive château; and the bubbling score for this little descendant of the voudeville chugs tunefully somewhere organisation is flexible enough to relocate at short notice a between Rossini and Offenbach, though unexpected modulations and a typically French event (as on my first evening) of the heat causing both pervein of drowsily chromatic sensuality look forward to Poulenc and Satie - underlined by the happily minimal, rescoring of Of notable interest to English readers is the festival's the accompaniment for flute Tallis Scholars prompted no

he frothy plot of amorous intrigue, misunderstanding and bluff unfolded against Michel Ronvaux's wittily ingenious designs: black and white panels that could be reversed or blossom out in the manner of pop-up picture books. As the young flautist whose kneetrembling impact on another man's wife resembles Alfred's tenorial terrorising of Rosalinde in Fledermaus, Yves Coudray deployed a graceful lyric tenor that may be heard at Wexford next year. Edwige Bourdy's soprano leggiero in the Mady Mesplé mode did justice to the sweetly tootling variations on "Ah! Vous dirai-je, Maman" that form the basis of a charming trio. The enthusiasm, high spirits and stylishness of Mireille Lar-roche's staging illustrated the French gift of weaving elegance out of the slenderest

The bat that had divebombed the opera in the courtyard of the Château de Hautefort brought his mate for next evening's indoor song recital. Edda Moser froze in mid-Brahms with a look that combined outraged majesty and hurt little-girl bewilderment, drawing all eyes to the frisking chauve-souris above our heads. "I go, I come back," she mut-

group showed why she now sings Salome. Moser remains an opera star, gestures and expressions slightly too large Elektra be far away? Dinner in the courtyard afterwards, with a lightning storm illuminating the dark panoramic sweep of the countryside as seen from the castle's hilltop eyrie; and the French gift of catering to both high art and the inner man had never seemed more

tered, sweeping off the stage. The Official London Theatre Guide

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Neat one, Martin.



Electronics near genius Martin Grindrod wasn't happy with any available hi-fi system. So he simply designed, and built, his own: The AVI total hi-fi system" stacks up to little more than 12" in height. And 13,596 in money, it is perfection at any price, described by one bi-li reviewer is, without doubt, his "first choice", (You'd find a no small pleasure to call 0453 752656 for details.)

-the Ald System pic amp two mone block power ampe took pictured) CD place and uncer.



in a second of the second of

ciently p.c. not to satirise them, and so we have the weird experience of seeing one of Berkoff's typically overblown cartoon sketches suddenly deflate. after an hour or so, into flat, mimsy, but uncaricatured conversation for gays.

As a pathologist of our social

level; but those of you who like theatre to preach important messages should rush along. Unfortunately, you will have to put up with Berkoff's stale parody of Essex Person. There is the endless which-motorway. did-you-take conversation. something Berkoff handles with none of Alan Avckbourn's skill; there is the poofs-are-justwomen-in-male-bodies line (uttered more wittly in Jona-

cloth which, according to the ebullient artistic director Jeangives me hope.) Luc Soulé, distinguishes Périgord from the top-heavy and over-ambitious Aix, was seen in this year's operatic offering.

Beach Scumboos are at the

Riverside Studios, Hammer-

Chess No 1039: 1 Qb8 (threats Qxa8 and Nf7+). If Rxb8 2 Ne5 and 3 Nf7 or Nxg4. If Ba2 2 Qh2 gxt3 3 Kg4.

t is the summer of 1966 and London, as pro-nounced by no less than Time magazine, is the city of the decade. Frank Sinatra is fighting a brave rearguard action in the singles' charts with "Strangers in the Night", but his noctur-nal ramblings belong to a different age. The talk every-where is of light, sun, hope and

glory. The lazy shuffle of the Kinks' "Sunny Afternoon" knocks the mocking exuberance of the Beatles' "Paperback Writer" off the top of the hit parade in the very week that Bobby Moore receives the glistening Jules Rimet Trophy from the Queen. The vibe spreads; in the US, 8,000 Vietnam protestors encircle the Pentagon in an attempt to levitate it. Nothing seems impossi-

The Beatles take their demotion with good grace; they are preparing for the release of olver, an album so packed with ideas and innovation that they can afford to be magnanimous, lan MacDonald, in his loving and superbly-argued analysis of the group's recorded legacy, is unoriginal in seeing this splendid moment as a cultural peak from which have gradually been descending into mass-produced

The Sixties deconstructed

Peter Aspden on sex, drugs, rock and roll and the decline of western civilisation

in the finest detail just what less succession of masterpieces, and how the whole thing - the Beatles and the Sixties - came apart.

The book's meticulous trackby-track examination is a fund of fresh insights into very familiar territory. To take just one example, MacDonald reveals that "Michelle", commonly considered an irritatingly cloying piece of McCartney-esque whimsy, was in fact co-written by John Lennon, who stole a line from Nina Simone's "I Put a Spell on You" for its middle section.

layfully ironic throughout ("I want you, I want you, I want you; I think you know by now"), the refined finishing touch was applied by McCartney's pain-staking bass line, which he described as "a kind of Bizet thing" (referring to the habanera from Carmen). This was no throwaway nursery rhyme.

yet what was envisaged as an album filler was good enough to take The Overlanders to number one for three weeks. The relationship between Lennon and McCartney unsurprisingly forms the human core of MacDonald's musings Again, the story is hardly unfa miliar the two friends who initially channel their competitiveness into their work, only to get bogged down in jealousy, rancour and law suits. But MacDonald reverses some of emphasising Lennon's capacity for sentimental balladeering ("This Boy", "If I Fell", "Yes It Is") and McCartney's penchant for biting sarcasm (asked for a sleeve-note for Lennon and Yoko Ono's Two Virgins, he responded with: "When two great Saints meet, it is a hum-

bling experience") By the time of Abbey Road, both the Beatles and the decade were falling into disrepute. MacDonald takes the bold step of identifying one song, Lennon's "Come song. Lennon's

REVOLUTION IN THE HEAD: THE BEATLES RECORDS AND THE SIXTIES by Ian MacDonald Fourth Estate £15, 373 pages

FAITHFULL by Marianne Faithfull with David Dalton Michael Joseph £15.99, 333 pages

X-RAY: THE UNAUTHORISED AUTOBIOGRAPHY by Ray Davies Viking £17.50, 419 pages

Together", as a turning point, "embodying a pivotal moment when the free world's coming generation rejected established wisdom, knowledge, ethics and behaviour for a drug-inspired relativism which has since undermined the intellectual foundations of western cul-

Not that Marianne Faithfull would have noticed. Indeed, bearing in mind her aristo-cratic Austro-Hungarian heritage, it could be argued that decadence, gloom and deathli-ness coursed through her veins long before the various substances which she injected in celebration of and escape from sixties counter-culture. Just check out the references in her first chapter ("Childhood"): Sartre, Kafka, Virgil, Coltrane, Beethoven, Jung, Nietzsche; Faithfull had little to learn from a bunch of blues-loving upstarts like the Rolling Stones, but she managed to prostrate herself before their

Faithfull is a humorous, self-effacing and eerily dispas-sionate account of a life lived in near-constant psycho-pharmaceutical turmoil, punctuated with sharp observations (describing "As Tears Go By as "slightly existential, but with a dash of San Remo song festival") and sprinkled with a

relentless ambition just the

bewildering variety of sex, drugs and rock and roll stories. It is a winning autobiogra-phy - it is difficult to dislike a oman who, on hearing of Mick Jagger's wedding to Bianca, instantly fills herself with Valium, downs three vodka Martinis, lurches into an Indian restaurant, falls into a curry, spends the night in Paddington police station, signs autographs for the officers and, on leaving, quotes De Quincey to the grey London skies. Early in her musical career,

the Kinks, whom she found to be "very gothic, creepy and silent". Indeed, Ray Davies's "unauthorised autobiography" (in which a fictitious "journalist" gets Davies to open up to him) is much more down-beat than Faithfull's fruity epic, but then again Muswell Hill was no fin-de-siècle Vienna. The problem is that Davies, not having been semi-comatose for three-quarters of his life, experienced much more acutely the pains which fame inflicted on

Faithfull shared a tour with

him, particularly the break-up of his marriage and the inevi-table legal wrangles with his management. It is unlikely that the Kinks will represent more than a footnote to the great sixties saga, but Davies could certainly write a mean

us back to MacDonald decline-ofcivilisation thesis, expounded in a couple of essays which sandwich the main part of his book. This is a line of argument, of course, which more commonly comes from those who would date the "turning point" at Elvis's first televised pelvic thrust, at the birth of rock and roll. MacDonald uses the Beatles' material to convince us otherwise. Is there any piece of music in this cenany pace of music in his can-tury which can match the joy and optimism of "I Want to Hold Your Hand", or "Eight Days a Week", or "Penny Lane"? Today's pop music, sampled, flattened and homogenised or today's rock music, pompous and ponderous, pro-vide plentiful evidence for Mac-Donald's conclusion, that "something in the soul of West-ern culture began to die during the late Sixties".

Fiction More than simple stories

ategorising Cormac McCarthy as a writer of westerns is like calling Herman Melville a writer of fishing stories. A dark poetic evocation of the American West, The Crossing is the second volume of McCarthy's The Border Trilogy. Set in New Mexico and northern Mexico, it moves on from his previous book, All the Pretty Horses, to the years leading up to, and including, the second world war. Juxtaposing an older world of outlaws. vaqueros and Indians with one dominated by cars and aero planes, The Crossing investigates the loss of innocence and the relationship between history and narrative.

For teenager Billy Parham, crossing the border into Mexico is to journey into unknown territory. Impulsive yet impassive, Billy begins his initial sojourn in the middle of the night, pursuing a wolf that has attacked local cattle. Intending to accompany the animal to the Mexican mountains, it is a year and a lifetime before Billy returns to New Mexico. He arrives to find his family have been murdered and their horses stolen. Only Boyd, his younger brother, sur-

Here everyone - Indians, revolutionaries, bandits and gypsies – has a story. Some are true, but most are fiction. As Billy is told, "things separate from their story have no mean-

THE CROSSING by Cormac McCarthy Picador £14.99, 426 pages

RUSHING TO PARADISE J.G. Ballard Flamingo £14.99, 239 pages

EVERYTHING AND MORE Geoff Nicholson Gollancz £15.99, 251 pages

It would be equally mislead ing to describe J.G. Ballard as simply a science fiction writer. More concerned with the imagmetion than science, Ballard's writing can be mesmerising and poetic. He is sometimes almost perversely radical but he can also be oddly primitive. A return to form, though a long way from Ballard's best work, such as High Rise and Crash, Rushing to Paradise focuses on campaigner Dr Barbara Rafferty and her attempt to save an albatross population threatened by the construction

of an airstrip on a small French Pacific island. Eventually Rafferty, appalled by the commerciality of the venture, severs links with the outside world, and declares the island a sanctuary for women: "The biggest problem the world faces is not that there are too few whales or pandas, but too many men ... " In this fiction, men are victims rather than oppressors. Packaged within a voyeuristic narrative, Ballard's sexual paranoia makes Rushing to Paradise

compulsive reading.

The work of British writer Geoff Nicholson could be cat-Locating cultural fault-lines, Everything and More - the slo-gan of Hadon Brothers department store - examines the relationship between work, consumerism and terrorism and takes place in a gargantuan building with a surreal facade, secret rooms and hidden passages. With its non unionised staff intent on sabotage, loyal employee, Vita Car-lisle holds her reclusive and randy employer, Arnold, hos-

tage.
Meanwhile, protagonist Charlie Mayhew, reluctantly working as a furniture porter, searches for an art form and finds signification in objects and linguistic tics, such as the term menswear. "Did it mean 'men's ware', as in hardware, or was it a portmanteau word telling the public that men in those areas were given to bad language?" When an author appears on the wrong day for a booksigning, the staff ask ques-tions worthy of post-modern deconstructionists.

Influenced by the literary extravagances of Huysman and More might, in comparison, be lightweight, but it is subversive enough to parody its voyeuristic tendencies. Combining speculation and accusation, Nicholson, no less than McCarthy and Ballard, delights in defying categories.

Woody Haut

An odd mismatch made in heaven

shire luncheon to her son Osbert in 1926: "A Mr D.H. Lawrence came over the other day, a funny little petit-moitre of a man with flat features and a beard. He is a writer, and seems to know of you. His wife is a large Ger-

Lawrence would be dead within four years, Frieda in 30. It was - though Lady Ida would never know – one of the most extraordinary and extravagant marriages in the history of literature. Brenda Maddox has written a most readable account, not so much of Lawrence as of his marriage - "a mismatch made in heaven", as she puts it.

She starts from her response to "a likeable Lawrence: a devastating mimic, an inspired teacher, a handy householder, a hard-working journalist, a loyal brother and generous uncle, a good cook, an eager traveller and brilliant travel writer, a dogged, dreadful painter, an ecological visionary and, above all - as he saw himself - a married man".

That said, she does not ignore the rest of the portrait: the appalling tensions within the marriage, the alarming anti-democratic political instincts, the sexual problems which were evaded with sodomy, the cruel selfishness which denied Frieda her children. "Lawrence's real vices were ambivalence, grandilo-quence and irascibility" says Maddox, and later, in compensation, quotes Edward Garnett on the man's "lovableness. cheekiness, intensity and

Unlike the host of earlier books about Lawrence, this one is extremely brisk about the childhood; even Jessie Chambers scarcely figures. After Lawrence's euthanasiakilling of his beloved mother. the focus is on Frieda Weekley. Born a Von Richthoven, she was a member of a liberated and intellectual German family - Maddox is good on pre-war

was a disciple of Freud and a morphine addict.

Frieda. after 13 years in a boring Nottingham marriage, 'did not hesitate to appoint herself the 27-year-old writer's erotic muse, a role which, with the exception of the war years, would keep them out of Britain: In their contempt for the stupefying hypocrisy of England, with its concern for appearances and its deep shame about the body, they were as one, and in their odd alliance they were refusing to collaborate in it any longer". This is a literary biography

THE MARRIED MAN: A LIFE OF D.H. **LAWRENCE** by Brenda Maddox

which does not make the com-

Sinclair-Stevenson £20, 631 pages FRIEDA LAWRENCE by Rosie Jackson

Pandora £14.99, 240 pages

mon mistake of under-esteeming the literature (Maddox is interesting, for instance, on St. Maur, and on the curious parallels between a Lawrence story The Shadow in the Rose Garden and Joyce's earlier The Dead), but a book about a marriage has to tackle the detail of that relationship. It was, we are assured, a sexually illmatched association: "Anal sex seems to have been the Lawrences' resolution to the con-

Then there was the matter of Lawrence's possible homosexual leanings - "Lawrence was not like Forster, a suppre homosexual who did not have the courage of his desires ... He was a hypersensitive man unable to bring together the male and female components of his personality, and in the grip of a terror of losing the boundaries of self". There may have been one homosexual episode in 1917 with a farmer friend, just as there was one known adultery, with Rosalind Munich where Frieda's most Baynes; after that there would

flict between them".

ady Ida Sitwell influential lover, Otto Gross, be impotence – guess who was describes a Chianti- was a disciple of Freud and a the model for Sir Clifford Chat-

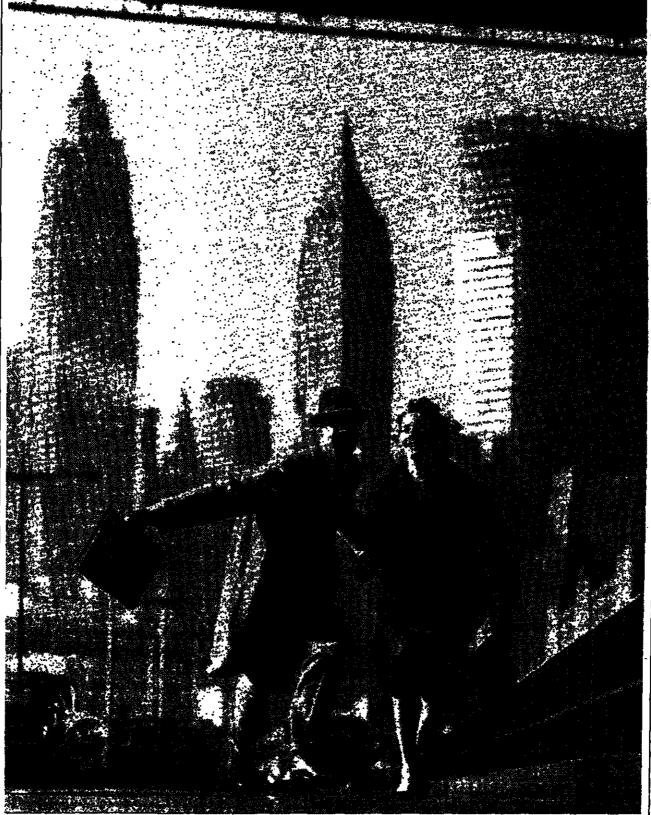
None of which damages Lawrence's importance to all of us. "My great religion is a belief in the blood, the flesh, as being wiser than the intellect. We can go wrong in our minds. But what our blood feels and believes and says, is always true", wrote Lawrence in a famous - notorious - remark We can deny it, we can be rude about him and, if we wish, his fat German wife, but we cannot pretend to be beyond his influence.

There is of course much else of interest and value in this long, deeply-researched history. New Mexico, Mexico, Australia (Kangaroo as "the most under-appreciated and biographically provocative of any of his novels"), the supreme travel writing (Sea and Sardinia after an eight-day visit!), Lady Chatterley ("God forbid that I should be taken as urging loose sex activity wrote Lawrence to Lady Ottoline Morrell - too late, of

My only regret is that we do not have more letters, which Maddox rightly explains is what makes her like him. Consider, for instance, a 1922 letter to Forster, not mentioned here - "I think you made a nearly deadly mistake in glorifying those business people in Howards End. Busine good". Isn't that the best ever comment on Mr Wilcox?

Rosie Jackson's Frieda Lawrence, with the same jacket photograph as the Maddox, is misleading. It turns out to be a hundred pages in defence of Frieda - answering in particular the tittle-tattle about Frieda's promisculty and pointing out that she spent only 18 of her 77 years with Lawrence and a reprint of Frieda's own autobiography, Not I, But The Wind, which dates from 1935 and is economic with some of the actualité, yet has its own compulsion. A rather odd volume, but valuable to addicts.

J.D.F. Jones



New York, New York – exuberance and optimism captured in 1955 from 'Parkinson: Photographs 1935-1990' (Conran Octopus £40). Nearly 190 black and white pictures trace the 50-year career of Norman Parkinson, one of Britain's leading fashion and portrait pho

Troubled tales

enigmatic - many people would use a about Gerry Adams, the Sinn Fein leader. What is really going on behind that wellhave forgotten Adams's voice, too, since British law demanded that his broadcast words be dubbed. Instead we have - quite possibly to Adams's advantage - the soothing sounds of professional

Although most of them have appeared elsewhere, these reminiscences, short stories and political essays could not be more timely. Anyone remotely gripped by the possibility of peace in Northern Ireland fol-lowing the IRA ceasefire of August 31 should read these pages, if not for their exculpa-

NEW AUTHORS PUBLISH YOUR WORK
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here is something tory logic then for the tone of Adams writes fluently and observantly, even if in his scenes of working-class Catholic life the dialogue sometimes strikes the reader as artificially rehashed. He displays a hardedged compassion for the silent poor, the old and the down-and-out.

Occasionally sentimental, these are quite clearly moral tales - and the moral is usually political. An old woman is told by a keen young parish priest to choose between her politics and her religion; an unmarried brother and sister fall out over the rightness of armed resistance. Yet there is also a portrait of a "good" Orangeman. The unionists could do with so gifted an apol-

In the polemical pieces - particularly those explaining his political views and justifying the IRA's terrorism - the less humane voice of Gerry Adams comes through. It is the hectoring sound of 1960s-inspired revolutionary socialism and class struggle. Northern Ireland is a "colonial statelet"; it is a police state practising South African apartheid: bombing and mur-

der are "physical force poli-tics". Adams says he deeply regrets the deaths and injuries caused by The Troubles. He talks about "considerable moral problems in relation to armed struggle." No doubt he means it, as he means the rest. But has he a clue how this sounds to people outside? The last essay, written this

GERRY ADAMS: SELECTED WRITINGS Brandon £7.95, 316 pages

year, manages to be both

uncompromising and ambiva-lent: 'It is desirable in practice that the consent, or assent, of as many unionists as possible should be obtained to the steps that would be practically required to bring about the ending of partition and establishing a united Ireland." No wonder Westminster cannot

Are Gerry Adams and his followers now ready to settle for something short of the unifica-tion of Ireland? Here you may read and judge for yourself.

Christian Tyler

held together by the bond between lord sonally entered into, symboli-cally enacted, and rewarded by the property or fief, in virtue of which the vassal owed military service, attendance at court and other payments and duties to his lord. Political obligation and legal right rested on this principle, established in the 9th century and comprehen-sively applied to the exercise of

ristocratic society in the middle ages was

political and legal structure of western Europe in the middle ages was founded on it. So the story runs. The artificiality of the idea of a "feudal system" has been well recog-nised at least since Maitland remarked that it was introduced into England by Sir Henry Spelman in 1631, but that has not prevented the principles associated with it (in this non-marxist sense) from dominating our conceptions of medieval society. The great medievalists of every European nation - Sir Frank Stenton, Heinrich Mitteis, Marc Bloch, F. L. Ganshof - have written their greatest books on its ori-

consequences. Susan Reynolds has had the poor taste and staggering conceptual system.

gins, nature, operation and

Pulling the plug on feudal rights

endurance to go looking for the evidence. Having assiduously searched a mountain of the most obscure and reharbative texts the middle ages have to offer she reports that most of it is not there, and that what there is fails on examination to power at every level of society support the mighty edifice that in the 11th and 12th. The entire has been built upon it.

A mighty edifice indeed there was, but the builders were not 9th- and 10th-century magnates appropriating the remains of public authority to enlarge their own estates and fortunes, as the old story had it, but 12th- and 13th-century lawyers and officials eager to expand the incomes and extend the prerogatives of their royal and princely masters over the mainly inherited property of their free subjects. It was they who began to speak of land being held of the lord - ultimately, of the king - and to dum, with the overtones of honourable subjection and 16th and 17th-century successors could abstract a complex

What we have taken for the elementary structures of European society are really the products of something more like bureaucracy than feudalism: products, in fact, of the transformation which made government something exercised through the written word rather than by force, and therefore placed it in the hands of those who knew how to manip-

FIEFS AND VASSALS by Susan Reynolds Oxford University Press £20. 544 pages

Twelfth- and 13th-century bureaucrats, like other bureaucrats, needed precedents for what they decided to do. It was the lawyers' business to find them. In doing so they described a world which we have mistaken for a real historical past. Susan Reynolds conducts her campaign with considerable learning and technical skill across a wide stretch of European history. Since a great deal of it

attempts to prove a negative – what the sources do not say – there is inevitably plenty of scope for defenders of the old

Nevertheless, the conclusions of Fiefs and Vassals fit very well with those of much recent discussion both of early medieval societies and about the depth and scale of the transformation of Europe after the year 1000. Reading the sources forward from the beginning instead of backwards through 13th-century eyes reveals a society much less precisely stratified than it then became, in which free men inherited and owned land quite independently of the duties which they owed to the king "not because they were his vassals, but because they were his subjects."

The real makers of the European middle ages were the scholars, lawyers and administrators of the 12th and 13th centuries who, sometimes consciously and sometimes not, constructed accounts of their various pasts to add a veneer of venerable authority and tradition to their highly innovative and aggressive approach to the pressing problems of learning, law and government. Here they have been well and truly caught in the act.

R.I. Moore

SPORT

t is not often you play a course on holiday and then get the chance a couple of weeks later to ask the architect what he thought he was doing. The course is situated on the

beautiful Hawaiian island of Kauai. Hanalei Bay curves behind it. The imposing Mt Makana, or Bali Hai, as it was known in South Pacific. which was filmed there, rises

The Prince course is usually said to be the best in Bawaii, and it is not hard to see why. There are some breathtaking holes. The par four first is surrounded by the Anini stream. The par five second requires a carry of at least 100 yards across a hazard. The fourth has water all down the right hand side. They are the easy holes.

By the time you have reached the 12th you are in a tropical jungle and on no account should your drive stray from the straight and narrow by more than 20 yards. The last three holes are among the

Great courses: a great curse

Resorts and designers are setting ordinary players too much of a challenge, writes Derek Lawrenson

hardest. It was, unquestionably, one of most daunting, and exhila-rating courses that I have ever played. And that was the problem. I am a seven handicap player, who once played off one, and by the end it had proved too tough for me, even on a day when I had played reasonably well. Now it is not being immodest to say that if this course was too tough for me, then 90 per cent of the people who ven-

ture on to it will not be able to When I played, the course became clogged with people hitting shots into bushes or streams. As they lost balls and spent ages in the process, the better players lost patience and the result was a masterpiece of a course that hardly anyone enjoyed playing. Two of the three people with whom I was playing abandoned their rounds in

spite of having paid the high fee. Such difficulties may be encountered on many of the world's great golf courses. They result from the owners' desire to create a notable golf course, which will attract favourable press comment and so bring in fee-paying customers. But

putting a 28 handicap golfer on the Prince course, Robert Trent Jones Prince course is like asking an jnr, why he made it so difficult, I apprentice to play for Manchester United's first team.

One of the great things about golf is supposed to be that anyone can walk in the footsteps of the top players, and play the shots from where they played them, and mar-vel at their skills. But half these courses are either very private or very expensive; and the other half are so full of golfers without the skills to play them that the round becomes very long and tedious. So, when I asked the architect of the jmr, why he made it so difficult, I knew what he would offer as an opening gambit: "Well, first you have to remember that I design courses to a client's instructions. The Princeville resort, where the Prince course is situated, already has one, what you might term. playable golf course, and what they wauted was an alternative, more

Jones is an amiable, intelligent man who loves golf and has designed many such courses. He cation: "I agree, it is a great prob-

Why not introduce a handicap limit limiting the more challenging courses to players with a proven handicap of 18? "In America? The owners would

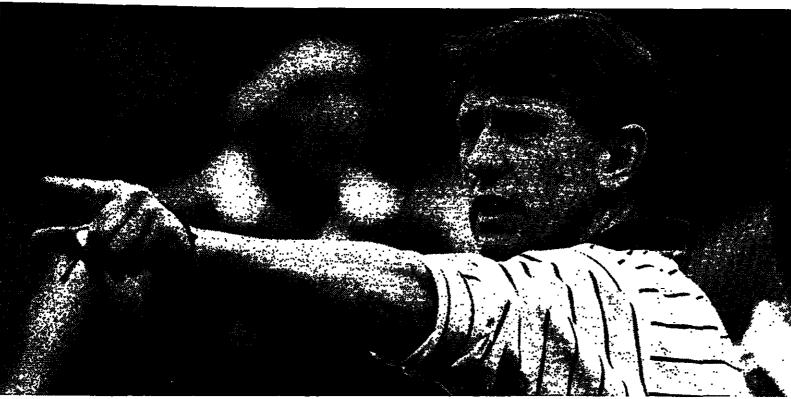
be swamped with lawsuits before the first day was out. But I think there is a way of alleviating the challenging layout. Which is what I difficulty. The solution would be to make sure that for the first couple of hours of each day, the better players get a chance to go out, and so set the pace of play for the day."

"But the trouble with many resort courses is that they need the money from the green fees, and that is of more importance to them than any question about the pace of

This, to a great extent, is what happened in Spain in the late 1980s, as the courses became flooded with people and the prices went up and many British golfers. tired of five hour rounds and exorbitant prices, went in search of new pastures, such as South Carolina and Florida. Spain has tried hard to make up for past mistakes.

What about forward tees, you might ask? Surely the more modest players could play off these tees and so play a shorter course? True, but it still would not help them overcome the intimidating factor of trying to carry water bazards or ravines, or drive down an avenue with jungle on either side.

As Jones said, the game has a problem. Suggestions, please, to all the world's great resort courses.



Rugby Union/Tom Fort

Outnumbered by 30 to one

umpire or referee is one of sport's most enduring traditions. In whatever game, at whatever level, the man charged with the duty of judgment finds himself the scapegoat for every-

On the village green, the opening bat stares with theatrical disbelief at the man in the white coat who has had the nerve to give him out lbw, then stalks off, muttering and expostulating. I have seen a ref who disallowed a goal in a Slough Industrial League Division Three soccer match knocked to the ground for his troubles. At Wimbledon, a tennis official in a panama hat is expected to smile politely on his stool while some oafish super-ego swears at him over a foot fault.

But in no game, I would suggest, is the lot of the referee more difficult than in rugby union. He has to put up with all the abuse and unpleasantness which law enforcement provokes in any game. But in addition, the interpretation of laws and the detection of infringement is particularly difficult in rugby.

I know because I have done it, twice. Of the second occasion I can remember little, except that it was disfigured by one of those ludicrous brawls which are a time-honoured characteristic of coarse rugby. I brought it to an end - rather brilliantly, I thought by lifting one of the protagonists off the ground by his

The first, though, was a flasco from start to finish. I was somewhat handicapped because I had left my spectacles in the changing room, which meant that everything happening more than 20 yards from me was little more than a blur. But the chief problem was that, even when I was on hand for ruck or maul or scrum, I could not work out what was going on.

Amid the churning mass of bodies,

the ball was sometimes visible, sometimes not. At any moment, it seemed that almost everyone was committing some kind of offence. This presented me with a choice between non-stop whistleblowing - necessitating an instant choice of whose illegality was the grossest - and quiescent inactivity. I varied erratically between these two

courses, and thus fell into disrepute. Whatever I did was wrong, and the entire match unfolded to the accompaniment of an incessant chorus of complaint. Bereft of authority. I became disillusioned and a sad hate-figure on a dank Sunday afternoon. At the end, my a try which came - so my own chums cheerfully confided to me afterwards -

from a pass which was a good yard-and-

a-half forward. I did not know the rules, of course. Nor was I in a minority at the lowly level at which I played. We may have had a vague apprehension of the guid-ing principles which informed the code. But of the detail we were appallingly ignorant. And even when we did know a particular rule, we had no inhibition about breaking it, nor about protesting long and loud if we were detected.

Now the laws are even more complicated than they were then, and the game is afflicted more than ever by this combination of ignorance and wilful lawlessness. And who gets the blame for the resulting shambles? Is it the players, who trample on the rules, or the lawmakers who dreamt them up? No, it is the man charged with enforcing them.

Thus we had the preposterous spectacle of the players from Bath and Wasps excoriating the referee for ruining what should have been one of the showpieces that he had had the nerve to whistle up for a mere 48 out of the uncountable offences committed during 80 minutes of ill-natured anarchy. Pity the poor ref. It is not his fault

that the game should have sunk into a grey swamp of well-intentioned but unenforceable regulations; nor that players at all levels should have become so expert in exploiting the vulnerability of his position. The miracle is that rugby union should still be capable of producing moments of clean, incomparable exhilaration. The almost hysterical ecstasy which greeted Underwood's try against Wales, Geoghehan's against England, Quinnell's against France in the last batch of home internationals, is dire evidence of their rarity and the unhappy pass this great game has got

Students at the feet of the masters

n a dust-red football pitch an hour from Brazil's largest city, Sao Paulo, the daily training regime begins promptly at 10am. It follows a familiar pattern of running, passing and ball control practice. This is a scene played out thousands of times throughout the country of the World Cup winners. It is a scene that would barely catch the attention of a passing villager, tempted to break the monotony of the day.

But this is no ordinary prac-tice session, and certainly no ordinary team. The trainer's barked orders induce uncomfortable giggles among local children who have come to watch. The players, all teenagers, have the same taut and agile bodies of Brazilian footballers. But their faces are very different.

Jin Zhengmin, manager of the Chinese National Youth Football Team, steps forward to explain why he, two trainers, a teacher and China's 22 most promising young footballers are living on the other side of the world in Brazil.

"We are preparing for the 2000 Olympics. These players will return to China in five vears. We have other programmes under way in China. be the best," said Jin, who played for his country in the 1960s and was a big fan of Bobby Charlton.

China is a newcomer to the footballing tradition. The game only recently became popular through television and the 1986 and 1990 World Cups. In some regions the former England captain Gary Lineker overtook Margaret Thatcher as the most famous Briton.

Impressed by this growing popularity, and football's suitability as a cheap team sport for developing countries. bureaucrats in Beijing agreed the country's football infrastructure needed an overhaul. China was making a concerted

push to enter the top levels of international sport, a campaign which led to outstanding results – as well as accusations of foul play - in swimming and

Two years ago, when China was still favourite to host the 2000 Olympics ahead of Sydney, a nationwide championship was held to select the country's 60 most promising footballers. Following further trials in Beijing, the best prospects, aged between 14 and 17, were sent to Brazil to spend five years learning the game.

They arrived last November Angus Foster

watches a familiar scene with an unexpected twist

and the team is playing in championships and cups around the country and may soon hire a Brazilian coach. Jin also hopes that his most promising players will join local clubs, although Brazil's rules on employing foreigners are tight.

According to Li Fei, one of the squad's two trainers and a former professional player in to do before its football reaches international standards. "Compared to other countries, these boys' level is poor. But for China, it is very high," he said.

China supports the pro-gramme but all finance has been provided by a drink company from China's southern province of Guangdong.

Brazil seems an odd place to send China's sporting prodigies. The country's football is unquestionably often brilliant. Yet it is equally often erratic, and stresses an individualism which would shock many a Chinese mandarin.

Jin, a likeable, earnest man, explains: The Brazilian physique is the same as the Chinese, both strong and agile but slight. This is better for our culty playing against young Europeans, who are bigger."

The young Chinese are quickly adopting Brazilian habits. One training exercise involved practising the back flick perfected by the retired star Socrates. At the end of the session, the players huddled arm in arm singing a football song learned from Sao Paulo football club, and shouting "China" in Portuguese.

The squad's indoor training school, a wooden barn, was transformed into a party hall for the Carnival celebrations. According to Jin, the squad is employing a Brazilian to teach it to dance the samba.

Some of the players say they miss Chinese food, but Jin is adamant. "Brazil's food is better for football training because of the high meat and carbohydrate content," he said. Asian habits rule when it comes to punishment. Culprits run between two lines of players and receive violent slaps on the back from everyone.

Following a two-hour session, the boys return to their training camp in a bus hired from the local municipal council. The Olympic rings have been painted on the dormitory huge Chinese flag and map in the dining room, and a video recorder and some popular Chinese films.

Otherwise, there seems little to occupy China's future footballing stars. Many of their countrymen would no doubt envy them and their bright sporting futures. But five years seems a long time to spend on a farm in the middle of the Brazilian countryside.

One of the boys, with short hair and bad acne, seemed unconcerned. "There's many things to do to relax. We can play football, sometimes there's football on TV and there's lots of videos of football matches." he said.

Motoring

Saab increases the cylinder count

Stuart Marshall tests a new range of executive models designed to satisfy the engine snobs

pecking order, Saab has always occupied a niche somewhere above Ford and Vauxhall (Opel to mainland Europeans) but just below BMW and Mercedes. Saab's niche-fellows have been sporty. individual cars such as Alfa Romeo and Lancia.

So, why has a significant minority of business users in Britain, with freedom to choose any car, gone for Saabs? Perhaps because they are so enjoyable to drive that you feel the company's managers must be enthusiastic motorists, not corporate beancounters obsessed with cutting costs and raising margins.

Second. Saabs are produced by an offshoot of Sweden's only aircraft-maker. Knowing this evokes the right responses on technical merit, safety, durability and environmental acceptability. And, third, Saab's badge has never been put at a disadvantage by being seen on small, cheap cars such

as Fiestas and Corsas. As a low volume car-maker under 100,000 a year - Saab could never afford the luxury of a range of engines. For two decades, it had just one; a fourcylinder conceived in the early

Over the years, it has been modified extensively and turbo-charged, fitted with highly sophisticated ignition systems and, ultimately,

enlarged to a 2.3-litre with twin

balancing shafts. Driving a turbo-charged and inter-cooled Saab 900 or 9000 has always been one of motoring's better experiences. The cars exude integrity; their engines are flexible at low speeds, exceedingly vigorous when needed, and run smoothly at all times. But they have only four cylinders. Many

ore than 1m British motor-

ists are known not to tax or

insure their cars. They

weigh the slight risk of

being caught against the money they save

and reckon breaking the law makes good

Last October in this column, I suggested

that tougher law enforcement was long

overdue. If driving uninsured - or, worse,

uninsured and disqualified - were the

seriously anti-social offences the courts

once thought them to be, perhaps it was time to seize and sell guilty drivers' cars.

financial sense.

n the business car 1970s by Triumph at Coventry, status-conscious business driv-pecking order, Saab has in the English midlands. ers dream of at least eight cylinders, although most have to settle for six. Now, they will no longer

need to reject a Saab 9000 because it has too few cylinders. Two flagship models will he in the showrooms next month powered by a three-litre V6. (I have not forgotten the 900 V6, which has been around for some months. What I am talking about are big cars for senior managers.) Heart of the latest, range-

their cars.

vehicles.

Seeb's latest 9000, the Griffin kuxury saloon; a 3.0-litre V6 for user-cho This 215 horsepower unit is also used in the Vauxhall (Opel) Omega, just as the Saab 900's 2.5-litre, 170hp V6 is shared with both Omega and up-market versions of Vauxtopping Saab 9000 Griffin saloon, and the slightly less hall (Opel) models such as the Cavalier (Vectra) and Calibra. elaborate 9000CSE V6 five-door.

I lost count of the number of readers

who wrote in support. Since then, the

government has announced administra-

tive action to chase motorists who do not

tax (and, by inference, do not insure)

The problem persists, though. This

week, the Guild of Experienced Motorists

echoed my thoughts. It asked the govern-

ment to introduce legislation giving

John Newman, the guild's chairman

courts the nower to confiscate uninsured

and chief executive, noted that the maxi-

GM rode to Saab's financial rescue three years ago but is keeping the Saab marque quite separate from its mass sellers.

Smaller capacity, four-cylinder 9000s continue to be available. Most potent of them all is still the turbo-charged and inter-cooled 2.3-litre, 230hp

Get tough on uninsured drivers mum penalty for driving uninsured was £5,000 - but that the fine recommended by the Magistrates' Association was only

> with little chance of compensation. Newman said the guild believed confiscating the vehicle and jailing the driver would be a severe deterrent. It also wanted cars to carry an insurance disc alongside their tax disc. I am sure that most readers of this column would agree.

£540. It seemed a small price for a crime

that could leave innocent victims disabled

Aero, which more than

matches the V6's pulling power

(torque) and, on paper, offers

slightly better fuel economy. Yet, when I drove them in northern France last week. I thought the V6 9000s, if a mite less fiery, had all the performance for which any business motorist could reasonably ask. Their ride is excellent, their handling nimble and reassuringly secure. Automatic transmission is standard.

At £31,995 list, the 9000 Griffin - and, to a lesser extent, the £29,995 9000CSE V6 - will face fierce competition, including the Vauxhall Omega Elite (£27,385). This has the same power train and similarly lavish equipment.

Saab, however, is banking on charisma and exclusiveness to persuade buyers to get behind the wheel of a Griffin rather than the poshest Omega or

FT Expedition/Arnie Wilson Worn tracks

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994 on a round-the-world trip

fter 250 days (500 ver-A tical miles) of skiing, the toll is beginning to tell - on both skis and skins, if not the inner us. "Your skis are just about blown out, mate," says Alex Herbert at Fleet's ski repair shop in Thredbo, one of the leading resorts in the Australian Alps of southern New South Wales.

Thankfully, a new pair of Salomous is winging its way towards me, courtesy of Snow Rock and friends who are paying a flying visit to ski with us. They are also bearing all kinds of potions from Clarins to restore our faces, seared by the scorching NSW sun. At nearby Perisher Valley.

they - like many resorts keep a list of daft questions people ask. "What time does the chairlift go?" is one. "Will tt snow at night or during the day?" is another. Perisher got its name when

two cattlemen, trying to round up their herd before winter set in, rode into a blizzard. One of them wrote later: "We rode out to the west face of the mountain to look down along the Snowy River to see if the cattle were there.

"The frozen snow was beat ing into our faces, Jim Spepcer's beard was white with snow and turning to me he said: "This is a perisher."

In those days, snow was bad news; but now people somenally from Barnet, London drove for three days from Brisbane to reach Falls Creek in Victoria and enjoyed skiing in the rain so much that he is determined to return to Max and Rosemary Aitken's Feathertop Lodge next winter.

Bullen's wife Margaret, who had never seen snow before. was less enthusiastic. "The snow was wet and cold," she said. "I was hoping it would be a bit fluffier." Max Aitken is another

Englishman who only took up skiing once he had emigrated to Australia. He broke his leg playing rugby for Widnes, came to Australia to recuperate, married, and is now a part-time ski instructor.

Driving long distances is not uncommon in Australia. One skier at the Barrakee Lodge. Perisher, knows two farmers from Nelson's Plains (a couple of buildings 18km north-west of Newcastle in NSW) who wanted to run-in their new car and drove to Perth, 3,000km away, for a hamburger. It took them four days.

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PROPERTY

Auctions: the simple way to buy and sell

They are quick, efficient, and offer freedom from gazumping. Gerald Cadogan explains what to do

he property auc-tioneer issues his challenge: against you, sir." What does he mean? And what is "sir" to do? In fact, the auctioneer is saying that another bid has topped yours - so you must decide whether to carry on bidding or forego the property you are seeking. At such times, the adrenalin surges - but you

need to stay cool. If you like brinkmanship. you could wait until he says: "Going for the first time, going for the second time..." You then slip in a bid just before he has time to say: "Going for the third time, and sold" (with a bang of the hammer). Sometimes, this ploy offers the chance for a bargain; after all, you would not expect frivolous

Sometimes, though, it never goes to the third call; the auctioneer stops to say: "I am sorry. The property has not met the reserve." If you remain interested, that is the moment to approach the saleroom management and try to arrange a private deal.

Auctions are the quick and efficient way of buying and selling property, provided you know what you want and can afford. You have the security of knowing there is no gazumping - that is, acceptance of a higher offer from someone else after the deal has been agreed once the hammer is down.

A saleroom assistant takes your name and a cheque for 10 per cent of the price (which the auction house will present next morning for special clearance), and you exchange contracts before you leave. Just 28 days

property or group of properties, often held in the local pub or village hall. Then, there are large sales of many properties, held at hotels in London and other centres. These provide potential buyers with up to 700 homes a month from which to choose, says Gary Murphy of Allsop, a leading auction firm which sold 1,574 residential properties (93 per cent of those offered) for

Sellers usually pay around

2.5 per cent, plus advertising

charges. For this, they get far greater publicity than almost

Property auctions split into

two types. First, there are

small country sales of a single

any private treaty sale.

per cent are repossessions. Murphy points to a growing trend for auctions to be used as first resort rather than the last, as they used to be until quite recently. Part of the reason undoubtedly is that buyers are sure of a fixed price - and sellers of getting their money without purchasers pulling out because the chain of which they are part breaks down.

261m in 1993. About 60 to 70

f you are selling, you must decide with the auctioneer on a reserve price. This will not be more than the published guide price, which is intended as a realistic estimate and is often exceeded, anyway.

The seller must also give the auctioneer copies of all the relevant papers. For a £10 fee, these can be passed to a potential buyer or his solicitor, together with any special conditions of sale.

It is important to remember



For sale . . . a farmhouse with two cider orchards near Taunton, Somerset, to be auctioned on October 27. (For details, see box)

that all parties must do their legal homework, as auction sales are binding contracts and are not offers subject to contract and survey, as in a pri-

vate treaty sale. Once you have found something you like, decide if you want a survey done (this should produce an independent valuation). Then, contact your mortgage provider and tell your solicitor, who might want

Some future large auctions: Allsop

Brighton (0273-321300), October 6,

Softhampton; Hambro Countrywide

(0245-344133), September 22, Grays;

Edwin Evans (071-226 5864),

September 22, London; Fox of

Hove, and Fox of Southampton

(0703-338966), October 27,

(071-494 3686), October 24, Lendon;

to get in touch with the vendor's lawyer. Your financing, and everything else, must be in order before you go into the saleroom.

If you do not want to bid before the sale, check carefully - and often - that the property has not been withdrawn or "sold prior"; auctioneers will provide an addendum that details any last-minute changes. On the day itself,

arrive in good time. Listen to what the auctioneer says in his general remarks – they may affect the lot in which you are

If you can, take your solicitor or surveyor to bid for you; they will not be carried away. If you bid yourself, pay attention and keep your limit firmly in mind. Do not rush to enter the bidding; it can help you if

(There is an alternative ploy to which I once fell victim when trying to bid for a semi-derelict farmhouse. The survey had been done and I had decided on what seemed a sensible limit of £30,000.

As the auctioneer looked for starting bids, a voice from the back boomed "£30,000" - and blew away any competition on the spot.)

Finally, never bid for a prop-

Keyhaven with a guide price of \$250,000; in the pub next door; and on . October 27 Strutt & Parker in Exeter (0392-215631) offers a farmhouse, two cottages, farm buildings and two cider orchards at Haise near Taunton in the illage hall, with guide prices from over £10,000 for one orchard to over £170,000 for the farmhouse.

erty you have not seen personally, as some dealers do. Country auctions are excel-

lent for properties that agents find hard to assess (which often means they are in need of considerable attention). This summer, for instance, Carter Jonas sold a Georgian old rectory at Moulsoe in Buckinghamshire for £220,000 (guide price: £150,000).

The property was in a terri-ble state - its last serious redecoration was in the 1920s. But Margaret Whitmore, of Carter Jonas, explains: "We held the sale in front of the house. Everybody knew what was on

Meanwhile, more than 100 people attended Henry Adams' auction (in Goodwood House) of the derelict Seven Points on the Goodwood estate in West Sussex. With a guide price of £125,000, it went for £137,000.

COUNTRY PROPERTY

Derelict, but sold for £137,000: Seven Points at Goodwood, West Sussex

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non, Hempshire (0590-674411).

0181), September 36, Landon;

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OUTDOORS

Time to dally in dahlias

September is just heavenly for gardens, says Robin Lane Fox

have just been survey-ing autumn as it should be, spread out before us in central London. The great autumn flower show in the Royal Horticultural Society halls has none of the extravagance of Chelsea; on Tuesday and Wednesday, it drew discerning crowds who knew they could not see these exhibits under canvas in mid-

September is heaven in my horticultural book, especially when it alternates between sun and rain. The older gardening authorities skate over this excellent month, moving from buddleias to autumn colour with only a sideways glance at Michaelmas daisies. But, in the past 10 years or so, its horticultural scope has broadened beyond recognition.

If you miss the autumn shows, you are the sort of gardener who starts thinking far too early about Christmas hyacinths. You are also one of the class who runs a mile from

No, I would not want them in an average small-town gar-den; yes, the dahlia varieties in popular offers are frightful. But if you look for the best, you see a depth of colour and shape which will lift a rural border out of autumn rust and

At Powis castle, on the Welsh borders, they have no qualms about dahlias; and anyone who saw yet another prizewinning show from Ayletts of Hertfordshire this week will have vowed to follow Powis's example next spring. The best varieties of dahlia have such remarkably clear colour and well-defined flowers: Dahlia Charles Taylor was a front-runner this year with scarlet flow-ers like an inward-curving paeony, while Vicky Crutch-field remains a first choice among the pinks with flowers like waterlilles.

These prize dahlias are in a different league to those balls of mauve flower which turn up among the French marigolds in the gardens of visual vandals The flowers are not lost in heaps of coarse leaves and they are not impossibly shaggy.

There are six months until the season for starting new dahlias in April; but if you want to prolong a border in September, and double up on cut flowers and height, you cannot ignore the first-class forms in the family. Ayletts itself is the tops although that authoritative guide, The Plant-Pinder, still omits it.

Elsewhere, the way to civi-lise an autumn exhibit nowadays is to pack in the crocosmias. Many of you already grow the bright crimson varieties of these corms, especially the Lucifer variety which has long been an FT favourite. Exhibitors now upstage it

with the clear, soft yellow Solfatare, the flowers of which beat the other commercial forms in shades of yellow and orange and are matched enchantingly with the blue of aster King George or the blue and silver-grey perovskias. Bags of Solfatares were

changing hands to keen visitors, but they ought to remember that it is not the hardiest in the family and needs to be top-dressed with a protective layer of debris from November until April. This protection is worth the bother because this delightful form goes so well with white anemones, early



Visitors admire the exhibits from Burn cose Nurseries at the RHS great autumn flower show

Michaelmas daisies and the first of the autumn crocuses. An autumn show faces in

two directions: backwards, to the best of the season's half-hardy plants in their final phases; and forward, to bulbs, datsles and shrubs which will not go under at the first sign of frost. Among the season's tender pot plants, I made yet another mental mark for the white form of mimulus called Popocatepetl; this flowers profusely in pots and sunny borders, having earned its reputation in California. Brian Hile in Wallington, where London's far southern suburbs meet the M25, is one of the few suppliers

These evergreen mimulus are future stars for terrace and courtyard gardening, and he helped me to understand the cause of their only failure. Sometimes, a stem will go brown and die back, a fault which I have attributed (wrongly) to over-fertilising. The real reason is that its faded flowers have not been dead-headed, and fungus enters their stem if they turn

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hroom house, with double

brown and are allowed to hang

Ten years ago, the only familiar form was the orange variety, which was so famous as a centrepiece in the red and orange garden at Sissinghurst, Kent. But we now have white. pale orange, lemon yellow and shades of pink waiting to spread in frost-free seasons edges of their leaves. from America's west coast. Among the frost-proof per-

manencies, the autumn bulbs are a spectacular sight, reminding me not to overlook them when their catalogues turn up in the rush of next spring. The best of all are the white colchicums, like huge crocuses with no clothes on because they flower before the

The leaves appear in spring, usually to a bad press, but I now agree with the keen eye of expert grower Graham Thomas who values them as a foil for yellow daffodils against grass in early spring. The best variety is Speciosum Album, although its price is a discouragement. A few bulbs go a long way, and there is no question

of needing to plant them with the same profusion as the crocuses of spring.

The shrub growers had the luxury in their exhibits of pretending that the drought had never existed. The hydrangeas looked fresh and newly-watered, whereas mine have been burnt miserably along the As often, the most ambitious

stand came from Burncoose Nurseries of Redruth, Cornwall, which continues to proclaim its fondness for despatching by mail order. I would have sent away for its oak-leaved hydrangea Querci-folia on sight, but I know that it is so much better in damper and deeper soil. A show plant is fun, but misleading. The delicate aster Pink Monster looked more accommodating and not at all monstrous, and I wish I could combine it with those marginally hardy relations of mimosa which the nursery shows so well.

At a different level of hardiness, you could have rounded off with a remarkable array of hollies put on by the unstop-

INTERNATIONAL PROPERTY

pable Morris Mason from his broad private acres near King's Lynn, Norfolk. Long before the season for berries, he had collected a superb range of shining green and beautifullymarked varieties, reminding us that nurserymen do not have the monopoly on major fami-

lies and that gardeners are still

much too slow to exploit what

this family can offer. The extremely spiny leaves of the various hedgehog variet-ies are best kept as individual specimens, but his display of variegated forms of ilex aquifolium reminded me of the elegance which we overlook because we are all too afraid of prickles. The fresh, golden-yellow marking of forms like Flavescens would please anyone. Egged on by this autumn

exhibit. I intend to use them to fill out and brighten the places which need an evergreen but which will not suit anything of doubtful hardiness. Whatever the winter throws at us, the hollies will come through it, an idea from the autumn shows which will still be around in subsequent summers

Fishing/Tom Fort Wild night on the loch

good, unmemora-ble fun. But there are two other categories of experience: the hellish, when it becomes a torment, and certain days or nights with a blessed quality that stamps them in the memory, like a seal on hot wax.

In general, it is fortunate that there should be a balance between the bloody and the miraculous. Were there too many of the former, we should have to escape and take up something safer. An exce the latter and we (well, I) would soon shed humility and

become smug.

It is also to the good that both should be rare. So, I am a little worried for I have had two wonderful, indelible nights this summer - and no immersions in the Slough of Despond. I feel catastrophe is lurking every time I pull on my The first was on the Suir, in

ireland, and I have sung that song of triumph already. The second belonged to a little lock in Inverness-shire with a Gaelic name - a'Ghreidlein as romantic and wild as its setting in the hills that rise between the glens of Affric and Moriston. Its instigator was a man with a twinkle about him. Kyle Laidlay of Tomlch.

What you need for this loch, he told us, is a night with no wind. And even then, he cautioned, there could be no certainty for the trout of the loch (pronounced Uretel) were unpredictable and contrary, and the season was late. But they were big: some up to 7lb. The night came and there was an excitement crackling between my friend Stevie and I as we bounced up the track into the hills that hid the loch. Kyle was waiting for us, as

except for the dimples of the trout. A pale, brilliant full moon lit the sky as we clambered

were the midges. Beneath us,

the surface was glass-smooth,

ost fishing is aboard the boat. A tiny wind sprang from somewhere to ruffle the surface. There was no longer any sign of rising fish. The method was simple: a

big, hairy sedge cast out, then retrieved in steady pulls to create a highly visible wake on the water. Stevie was bubbling with hope and expectation; was dubious. But on my third or fourth cast, there was a rush at my fly and the rod tip three quarters of a pound or so - but it was a start and I too was caught up in the excitement of the night.

I can still feel what it felt like to be there: the darkening, receding shore; the moonbeams lighting the ripples left by the sedge; the slow push of the cars; Kyle's soft, laughing voice speculating on vagaries of trout - and increasing frenzy at the other end of the boat. For Stevie was into fish after fish, each splash and fight accompanied by an explosive commentary on his expertise as a master angler.

He had four, the last a tre mendous, big-headed, boldspotted creature of well over 2lb. And, all that time, although we were fishing the same water with identical flies, I bad nothing.

On the stroke of midnight soon after Stevie had yelled that he was hyperventilating with the strain of it, a fish took me near the reeds in quiet, resolute fashion. It fought like a hero, belying its weight (a little under 11/1b) with the power of

With it duly netted, the quiet of finality settled on the loch. No more would the fish rise that night and, suddenly, we realised how cold it had become. Back on shore, we toasted the catch and then headed down the track, leaving a'Ghreidlein with its secrets and its fish for another night. ■ The loch, and a crop of others just as lovely, can be fished by arrangement with Kyle Laidlay. Tel: 0456-415352.

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nformal elegance these days is elusive, especially since few now pursue the traditional pleasures of field sports which once supplied a panoply of appropriate off-duty ensem-bles. Modern leisurewear seems polarised between the uniformity of American cotton sportswear and the horrors of the nylon shell suit.

But, since more of our time is being spent in casual dress, even in the workplace, perhaps we should look beyond the con-fines of the locker room and, instead of posing as athletes no matter what our physical con-dition, find a relaxed informality without sweaty association.

Tarlach de Blacam, the owner of Inis Meain Knitwear, offers just such an informal elegance. His knitwear is loosely inspired by the native dress of the Aran Islands' fishing community, some 30 miles

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Synge admired the islanders' natural elegance. "The simplicity and unity of the dress," be wrote "increases in another way the local air of beauty." De Blacam has tapped both the sense of design and the knit-ting skills of the people on Aran to create bi-annual collections of knitwear that look as beguiling on a Wall Street banker as on a fisherman.

Banish from your mind the notion of chunky, scratchy, shapeless fishermen's jerseys sold in roadside tourist traps.

Instead, picture butter-soft alpacas and cashmeres for winter and linen-silk mixes for the summer piled high on the shelves of exclusive department stores, such as Liberty in London or Bergdoff Goodman in New York. Inis Meain Knitwear is worn by discerning men and women from Tokyo to

The colours are inspired by the dry-stone walling on the Aran Islands. Traditionally its men wore natural colours, indigos and slate greys, its women, madder red and navy. To this de Blacam has added the tarblack of the curragh hulls, the infinite blues of the glittering seas, the greeny-browns of its saline weeds, and the myriad hues of the wild and rare flowers - those shy, pointillist specks of colour sheltering from the salty sprays between the limestone shards: gentianblue, cranesbill purple, stone bramble-vermilion, sea bindweed and mayflower pinks, and the singing yellow of biting stonecrop.

De Blacam is a practical dreamer. He has fused the romanticised notions of traditional celtic life, passed down to him by his grandfather, with the opportunities of Japanese computer technology and the harsh financial realities of the fickle fashion market.

"We have enormous disadvantages operating from this place - communications, basic financial services, such as banking are all poor," he explains.

Initially, knitwear was rowed to the mainland on a curragh before being jetted around the world but now de Blacam has brought an aircraft service (1975), as well as electricity (1978) and water (1981) to serve the island's 300 inhabitants. To





Hooked on simple Irish elegance

Jane Mulvagh explains how the under-stated knitwear worn by fishermen inspired a sought-after fashion range

Photography - Mike Bunn Hair - Brian Murphy Styling - Jane Mulvagh

meet all these costs and make enough profit to keep in busi-ness he had to target the top end of the market and go for innovative, high-quality design and rich raw materials. "But apart from that," says de Blacam, "if we just churned out old fishing knits I'd be bored stiff after a week and give up!"

De Blacam taps the local skills of 22 employees, mostly women, from whom he culls endless stitches and patterns handed down through the ages. And because he is marketing direct from Inis Meain there is a good opportunity to exploit and romanticise the story of knitting on the Aran Islands. the romance is a bonus it is the quality that sells the product. The romance is just the sizzle on the sausage.

Initially de Blacam, now in his 40s, was seen as a madman. "The 1980s was the decade of whizz kids in the big cities. All they wanted was suits and

"They did not know how to dress casually. Believe me, in the 1980s it was difficult to sell our knits. It is only now in the 1990s that people see an alternative way and have become environmentally convinced. Ireland is now seen as very chic. To some extent, my time has come."

Canniness led de Blacam to target the discerning and fash-ion-sensitive Italian and German markets. "Selling into Europe is a discipline and I always guessed that if I could sell to them I could sell anywhere. Whereas, in the English-speaking world, because you are Irish and a knitwear manufacturer, you are perceived as ethnic-Irish and your knitwear as bog-standard, so I had to make my name elsewhere.

One myth that de Blacam is keen to dispel is that there is a resistance among these isolated peoples to working in a modern way. Because of the numerous failures among small industries in the west of Ireland, many of which were subsidised by the EC or the Irish government, they are now seen as high-risk areas.

"The workforce is always blamed. But in my opinion it's the management and the sales team who are unable to cope with working from a remote location. The workforce, believe me, is second to none." De Blacam and his wife and partner, Aine, have, in 20

years, created a company prod-

ucing 20,000 units a year with

an annual turnover of £1m. In the next year they intend to employ another 15 islanders and have stemmed the tide of

emigration. "We've given the place a sense of belonging and something to contribute to the

"The islanders are not a drag on the national or the Euro-

pean exchequer. We make a contribution of about £100,000 a year to the exchequer and that gives these people great pride and means they can stay where they belong rather than having to go off to look for

"This means we can keep our society here better bal-

villages, filled with just the very young and the very old." One of the distinguishing features of the fiercely independent islanders is that they were always, despite their poverty, immaculately dressed. Aine, a native islander and niece of the island's poet, says: "If you look at the photos of anced and not, like many Irish the islanders during the

always extremely well turned out compared to the mainland. The women were self-sufficient and made their own clothes with great care and attention. Their menfolk and children always looked well."

numerous famines of the 19th

century you see that they were

Tarlach and Aine have simply tapped into that sartorial pride and, as we pass two fishermen coming from the

go for the subtle, single-colour ones. They know that the jazzy patterns are for the tourists." And, in turn, these are the very styles that Yohji Yamamoto, the Japanese designer, has chosen for his next boutique collection which will be sold under the I M label.

beach wearing their Inis Meain

jerseys, he points out their

innate elegance. They always

■ All jacket and cardigans cost between £180 and £190, jerseys between £150 and £160 and waistcoats between £110 and £120. Stockists include: ■ In the UK: Liberty of Regent

Street, London W1; Harrods of Knightsbridge, London SW1; and Simpson, Piccadilly, London WL US: Bergdoff Goodman, Barneys and Paul Stuart in NYC;

Louis in Boston. Italy: Top Ten, Turin; Giusto, Bologna; and Cantorelli, Peru-

Japan: Ginza boutiques in Wako, Tokyo. France: Aberdeen in Deauville and Alain Martiniere, Paris. Ireland: Inis Meain, Aran Islands, Co Galway and Brown Thomas, Dublin.









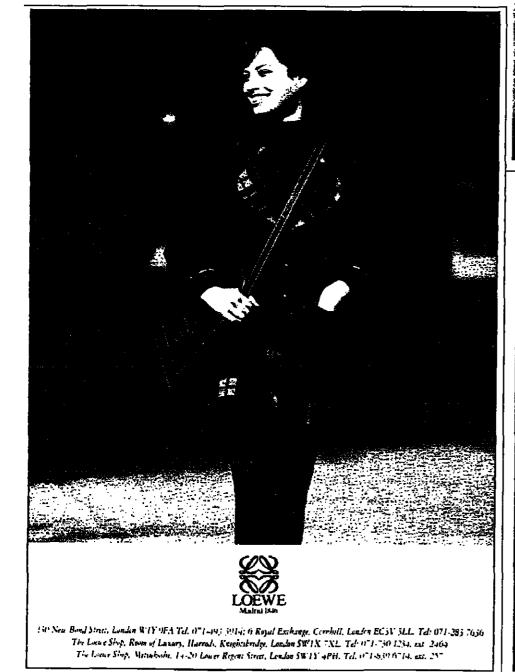
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HOW TO SPEND IT

Pick your cotton for nights of linen luxury

Lucia van der Post hails a growing emphasis on synthetic-free bedding

linen and who cannot pass those magic words "antique market" without feeling compelled to start ruffling through the shelves will fall with joy upon Françoise de Bonneville's The Book of Fine Linen, which could easily become the addict's manual.

It is a homage to the subtle sense of luxury that crisp white sheets and soft blankets can convey, to the sense of security that comes from having piles of sweetly-scented, freshly-laundered linen neatly stacked in the cupboard.

These pleasures are once again accessible to all but the most impoverished. Habitat, for instance, sells only 100 per cent cotton bed linen. And now, for sophisti-cates, there are crisply-styled absolutely plain white sheets and duvets, there are cool checks for those who hanker for a plain-Jane New England look and there are plain natural dye bed linen sets for those who prefer their linen coloured. And all this comes at astonishingly reasonable - double duvet covers about £65,

ll those addicted to antique standard pillowcases, £12.50, square pillow- £25) but in mid-October it will be opening

Marks and Spencer is still, on the whole, addicted to its cotton and polyester mixes (its customers no doubt hooked on ease of care) but in its latest mail order brochure it does offer an absolutely plain white embroidered set of 100 per cent cotton duvet (£43 single, £53 double) and Oxfordstyle pillowcases for £13 each. The very plain 100 per cent cotton Jacquard bed-spread in pure white is exceedingly nice and costs just £60.

Ikea, too, has gone for nothing but 100 per cent cotton in its bed linen range and seems able to offer it at the best of all prices - crisp New England blue and white checks with single duvet cover sets starting at £14.

ber of specialist companies have sprung up offering more exclusive ranges. Damhas been until now an entirely mail order company (write to Units 7 & 10, Sullivan Enterprise Centre, Sullivan Road, London SW6 for a brochure, sending £2.50 a shop at 3-4 Broxholme House, New King's Road, London SW6. It offers an unashamedly nostalgic look

with white woven cotton bedspreads, gentle patchworks, faded prints or crisp checks and an especially attractive set of designs for the nursery, and nightdresses with plenty of old-fashioned innocent charm. The full-cover brochure shows the range beautifully and the collection can still be bought by mail. Prices are good -hand-quilted patchwork bedspreads cost £155 for a double size (215cms by 240cms), woven cotton bedspreads starting at £46 for a single size and finely embroidered duvet covers starting at £34.

Those who prefer a crisper, more con-temporary look should look out for Turquaz - in bold checks, plaids and stripes. The collection uses nothing but 100 per cent hand-loomed cotton from India. There is, of course, the ubiquitous selection of blue and white checks but there are yellows, browns, greens, greys as well as col-our combinations. Like most of the more up-to-the-minute ranges, it offers square, ittoned pillow-cases as well as the standard oblongs. Stocked by Peter Jones, Liberty and the John Lewis stores, prices start at about £12 for a buttoned Oxford pillow case and £50 for a single duvet

Cologne & Cotton which some readers may remember offers a limited but charming and very affordable range of pure white and checked bed linen started with a single shop in Learnington Spa but it, too, now has a London flagship at 791 Fulham Road, London SW6.

For those looking for the ultimate in duvets I recommend a brand called Brinkhaus. At the top of its range are finest white Hungarian goose down filled duvets, covered in 100 per cent combed Egyptian cotton batiste, each cover stitched in small squares to keep the filling evenly spread These do not come cheap – the largest size, 260cms by 220cms is £680 but it does have a very high 12.5 tog rating (a tog is the industry measurement for warmth).

Those who have found duvets impossi bly hot this summer might like to know that Brinkhaus does a lightweight summer silk and cotton covered version (6.5 tog rating and the cover is again stitched into small squares) at £210 for the largest size. The Brinkhaus range can be found at Harrods, John Lewis, and House of Fraser

The free brochure showing the full range is available from The French Linen Company, Unit 7, The Vale Industrial Centre, Southern Road, Aylesbury, Buckinghamshire HP19 3EW

The Book of Fine Linen, published originally by Flammarion, is distributed in the UK by Thames & Hudson. 208 pages, £30.



You can tell a good hotel by the quality of its linen - this photograph of the linen room in Les Près d'Eugenie, a hotel in the French resort of Eugénie-les-Bains is taken from The Book of Fine Linen.

Forever in fashion

Styles change but fiancés still give diamonds, says Lucia van der Post

ancient rite of the engagement ring, that abiding token that He gives to Her when his intentions are honourable, is still going strong. According to de Beers 96 per cent of brides receive an engagement ring of

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some sort. (What, I wonder, happens to the other 4 per cent and are their marriages any the worse for all that?)

Of that 96 per cent, de Beers reports that more than three quarters include a diamond. Of course the matter of getting engaged these days is not

up the prevailing attitudes of the day in an essay he wrote in 1926 on Culture and Good Manners in the US. "An engagement ring is a matter for serious thought on the part of the young man. The best that his pocket can afford is what he desires and a ring that will please his fiancée's taste is even more important. Either by asking her directly or from someone who knows her preferences he finds out her desire and tries in every way to fulfil it. The solitaire diamond as large and perfect as he could afford has for many years been the standard engagement

gone by. E.F. Cushing summed

ring."
The days when Richard Burton gave Elizabeth Taylor the 33 carat emerald-cut Krupp diamond ("I've never been so left-handed in my life," declared la Taylor) seem to belong to a vanished world but nevertheless those who can afford it still seem to like their

approached with the same David Copperfield. When David solemnity as it was in times Bowie married Iman he gave her a wonderful canary vellow emerald-cut diamond with two white triangular diamonds either side. Cindy Crawford has a diamond-set gold band from Richard Gere.

Among the bright young things, the fad ring is Cartier's Ellipse – a thick yellow 18 carat gold band, it costs 5395 when set with semi-precious stones and £21,200 when set with a 1.5 carat solitaire diamond. When the engagement follows its proscribed course and ends at the altar, then a plain thick yellow wedding ring can be added to make a matching pair.

On average, British men are really rather mean. The average price paid is about £350. De Beers suggests that a young man these days ought to think in terms of spending about a month's salary (in Japan the average is about three months salary and in America two months) - after all think what a girl spends on a wedding dress which she wears merely for half a day whereas the ring is meant to last forever.

A collection of 60 diamond rings by some of Britain's best designers, ranging in price from £835 to £5,000 is on dis-

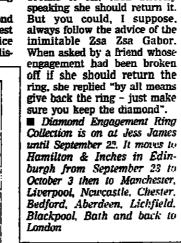




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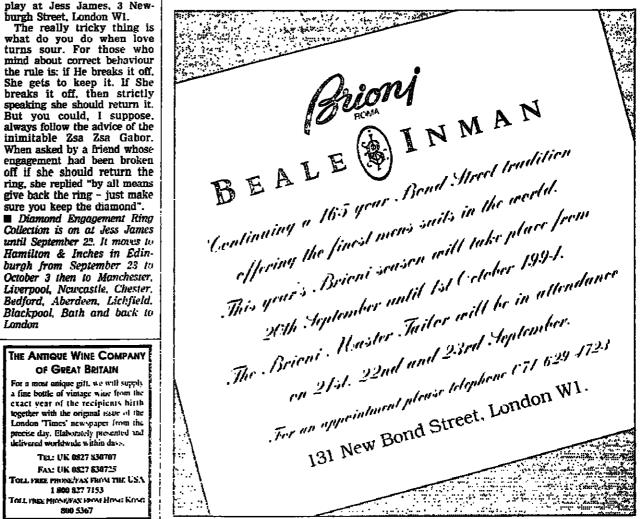


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FOOD AND DRINK

couple of years ago I received a copy of a letter sent out to secondary school teachers by the Vegetarian Society. Its aim was to encourage teachers to get their pupils to give up meat.

It struck me as being particularly pernicious; an attempt to set children against their parents. I do not doubt that similar letters have been sent to primary school teachers, who exercise considerable power when it comes to the infan-tile mind.

Beside me is a pile of recently published books on vegetarian food. Two of the authors abandoned meat-eating in infancy. Rose Elliot (The Classic Vegetarian Cookbook, Dorling Kindersley, £14.99) saw her mother manhandle a fish when she was three, and never ate meat again. Peter Cox (Encyclopedia of Vegetarian Living. Bloomsharv £16.99) stopped at two.

It is hardly a sign of precocity to hate meat as a child: "I don't like that mummy," is what they generally say. Left to their own devices

Vegetarian food 'terrorism' from trying out the cyanide first on Blondi before using it on Eva and and crisps. Nor are they fond of

are reduced to ruses to get their children to eat vegetables. Carnivo-Cox and Hitler share a trait: they both believe the future belongs to rous parents do the same with vegetarians. "I have news for meat-eaters." Hitler told his tablemates, For Peter Cox vegetarianism has all the appearance of a particularly "in the future everyone will be vegaustere religious order. This

greens. Even vegetarian parents

adopted by some of its converts.

been influenced by his fondness for

self-abnegation is one of its least Cox is ready for this ugly comparison. He cites a number of veg-etarian authors who deny Hitler's attractive characteristics - along with the sanctimonious tone membership of the order. Hitler is Austere men are often dangerous: Cromwell, Robespierre, Mussolini and Hitler, for example. The first two derived no joy from food, the supposed to have expressed a fond-ness for Bavarian sausages. This proves little: Hitler always said his favourite composer was Wagner, when in reality it was the Hungar-ian Lehar. He had to tend to his last two were vegetarians. Hitler's vegetarianism is supposed to have Germanic image and few Germans, animals. "The only two creatures who have remained loyal to me," he sobbed in the Bunker, "are Eva then or now, would have understood a hater of sansages. Cox then cites a passage of Oswald Spengler and "rests his case". But Spengler Braun and my (Alsatian) bitch Blondi." That didn't prevent him

ing to do with them. Cox agrees that vegetarianism is not a western tradition. There are plenty of vegetarian cultures around the world. I ate a Jain meal in India and positively enjoyed south Indian vegetarian food. But

Giles MacDonogh, a committed carnivore, leafs through some veggie cookbooks

here in the west we neither worship nor despise animals, we simply eat them. Indeed, I wondered whether Cox loves animals as much as he says given his desire to turn cats and dogs into vegetarians. What vegetarians have failed to do so far is convincingly to adapt vegetarianism to the western tra-dition; to create a viable gastron-omy. Rose Elliot might propose a gratin dauphinoss, but for a Frenchman this is a dish requiring some slivers of rare lamb. It is not a meal in itself.

For Judith Wills (Slim and Healthy Vegetarian, Conran Octopus, £16.99) vegetarianism is a means to an end: slimness. By slim she means more attractive. But giving up meat for vanity's sake is a double-edged sword: you become more attractive only to other vegetarians. It is pretty hard to tuck into a piece of meat with a vegetarian; it is a bit like having a drink with a teetotaller, or lighting up in front of a reformed smoker.

Both Christine McFadden (New Vegetarian Food, Salamander, £12.99) and Annie Bell (Everyreen, Bantam, £16.99) are refreshingly unwilling to proselytise, and the latter laudably tells us that vege tarian food should be "fresh, sensual and alive... Being a vegetarian should not automatically mean a denial of pleasurable foods, or an acceptance of unpalatable ones." Sadly neither author gives us

much to chew on; and Christine McFadden's language is unpalat-able. For her "minted", "parsleyed" and "herbed" are adjectives; and she confuses the adjective "roast" with the past participle of the verb

Annie Somerville (Fields of Greens, Bantam, £17.99) reminds us that Californian vegetarianism is still inspired by the flower-power Buddhism of the 1960s.

Which leaves the food terrorist Peter Cox. Not for nothing are his initials PC: vegetarianism is "the world's healthiest, kindest and most environmentally-sound lifestyle". Cox looks forward to the

day when "animal exploitation and slaughter are as obsolete as send-

ing children up chimneys" We meat-eaters have little to commend us: obese and unhealthy: cruel and insensitive, even our excrement smells nastier than vegetarian excrement. In Cox's view of history Adam and Eve only began to eat meat once they had left Paradise. He forgets they were expelled

for eating an apple. You might look for a long time to find anything appetising in the pages of Cox. This is not a book about pleasure, nor does he care for the freedom of the individual to choose his own way. He tilts directly at one of our great claims to civilisation: the western table and the way it has evolved over the

past 300 years. Cox suggests that as good primates we are not natural meat-eaters. But we are not good primates, else we would still be living in trees. We are sophisticated animals in both the good and the bad sense of the word. Western man lives to eat. Refreshingly few of us are reduced to eating to live.

Great British Eating

Catching up with Europe

When in Stonehenge try the rock cakes, says Nicholas Lander

nyone visiting Britain after an interval of even a help but notice the marked change in attitudes to food: supermarket shelves filled with bottles of virgin cold-pressed olive oil and pots of own-label creme fraiche; food and cookery programmes on every television channel and young British born and trained chess at the stoves of brasse-

ries, restaurants and hotels. In all of this the UK is finally catching up with the rest of Europe and if, gastronomically, Britain is not quite the equal of France or Italy yet, the rate of improvement is marked.

But the range of locations in which good food can be bought is now perhaps even more striking than the quality of the meals. In the last 20 years many castles, stately homes lighthouses, churches, chapels and coach houses have been adapted to serve food to the

There are several reasons for this. Imaginative caterers such as Michael Milburn, Justin de Blank and Johnathan Silver saw the potential of these locations. At the same time, the owners and governing bodies of the sites, such as the National Trust, English Heritage or the Church of England needed to generate extra reve-

Caterers and site owners were helped by the growing realisation that good food does not mean complicated cooking. It can be simple, using local ingredients, thoughtfully prepared and courteously served. This approach has helped to reduce many of the logistical problems that confront caterers in these locations, particular in old buildings.

Thirty-six such venues good examples of how this type of catering has developed in Britain - are listed in a leaflet entitled "Eat at Cathedrals & Churches" compiled by Lesley Bridge, catering manageress at St Albans Abbey, Hertfordshire, AL1 1BY. (The leaflet is free but please enclose a stamped, addressed envelope it is also available from any British Tourist Authority

Bridge took on this role 12 years ago when the abbev's governing body decided to try to re-establish the role of host and provider which the monks used to fulfil in days gone by.

This has proved such a success that by last year catering. book and gift shops earned £30,000 for the abbey, a quarter of its annual income.

This leaflet highlights the wide range of food on offer. For example, in London, Pizza Express operates in Southwark Cathedral's chapter house (071-378 6446) and Bill Sewell's

A dish that

doesn't scratch

ceramic hobs.

of smoothies



A 17th century Spanish painted sign for a confectioner taken from Sara Paston-Williams's 'The Art of Dining' (\$29.95) published by the National Trust and available from its strops

regetarian restaurants are at The Place Below, St Mary-Le-Bow, EC2 (071-329 0789) and the Saint Marylebone Café (071-935 6374). At one of the few locations open in the capital in the evening, there is live music in the Café in the Crypt at St Martin-in-the Fields, WC2 (071-839 4342) on Wednesday, Thursday and Saturday evenings. Gloucester Cathedral, in contrast, offers medieval rooms for private parties while in Hereford Cathedral you can eat in a 13th century bishop's

Catering has become a significant source of income for the

National Trust and English Heritage. Last year the National Trust's catering division contributed £1.5m on turnover of £11m. Catering concessions at English Heritage

earned almost £200,000. I recently spent a morning in one of English Heritage's busiest catering operations. The Stonehenge Kitchen. This is situated in a bunker-like 32 sq m kitchen in the underpass that leads to the standing stones on Salisbury Plain. The site receives 700,000 visitors a year and is home to that most unusual confectionery, the Megalithic Rock Cake.

tion for the staff - not so much for their culinary prowess as for their eagerness to look after and please their visitors, and their unabashed pride in

their famous landmark. More significant was the realisation that in rural areas such as Wiltshire, catering is one of the few industries capable of offering new job opportunities. When plans for the site by Jocelyn Stevens, chairman of English Heritage, are implemented, the restaurant at Stonehenge will be on one of the most remarkable sites in the world.

Great British Eating sites

ENGLISH HERITAGE

Pevensey Castle Cottage Tea Rooms & Restaurant, near Eastbourne, Sussex. The Brew House at the Iveegh Bequest, Kenwood House, Hampstead, London. The Coach House Café at Marble Hall house and park, Twickenham, Middlesex. The Tea Room at Audiey End house, near Saffron Walden, Cambridgeshire. Osborne House, Cowes, Isle of Wight.

Hardwick Hall, Doe Lea, Chesterfield, Derbyshire, Souter lighthouse, Whitburn, Sunderland, Tyne & Wear. Wordsworth House, Cockermouth, Cumbria, Sissinghurst Garden, Sissinghurst, Kent. St Michael's Mount, Marazion, near Penzance, Comwall.

Wine/Jancis Robinson

Sicilian sizzlers to sample

(What a bunch icily, with its delightfully obvious and umblemished reminders of Greek, Roman, Moorish, Norman and Spanish we French are.) that it even managed to bewitch this determinedly greedy traveller at a time when it had practically no wine of interest and a cuisine in complete thrall to the tomato.

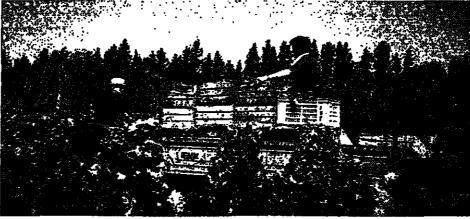
In the mid-1980s i spent 10 days on the island before finding a memorable bottle, an early vintage of Regaleali's most serious red, Rosso del Conte, a deep, dark, essence with such a dangerously high alcohol level it should not have been allowed in the businessmen's lunch place in which we finally tracked down some interesting food and wine.

The island has in recent times turned its back on its classical reputation as a wine producer and has instead made much of its distance from Brussels. For many years the noble and historic wine of Marsala, once the island's pride, has been ignored at the expense of playing the lucrative European game of subsi-

In the 1980s the island was frequently producing about 4 per cent of the world's entire wine production, but as demand for French basic vin de table has plummeted, so has demand for Sicilian wine to

dies and grants.

strengthen it. Things seem to be looking



up, however, to judge from a recent sampling of some of the island's best bottlings and experimental wine styles.

My old friends at Regaleali seem to have done a bit of comparative tasting in the intervening years and have consequently tamed the beast. Their Rosso del Conte 1989 blend of Nero d'Avola and Perricone grapes is no less intense but considerably less of an assault now that it is matured in new oak rather than traditional chestnut casks. Its stated alcohol content, 13.5 per cent, still makes it an unsuitable prelude to an important business decision, but its savoury, concentrated character well qualify it to celebrate one. Valvona & Crolla of Edin-

burgh stock this famous Sicilian red at £10.89 a bottle, while its white counterpart. Nozze d'Oro 1992 is £9.89 and should

also be available at W.T.

Palmer of Oxford. Nozze d'Oro's label sports a family photograph of the happy couple, Giuseppe and Franca Tasca d'Almerita, celebrating their golden wedding on the label and is a seriously interesting, discreetly cak-aged blend of Sicily's Inzolia grape with a local speciality, Tasca, grown at the high altitudes which keep the island's best grapes lively.

A range of experimental wines made at the government's experimental Cantina di Microvinificazione just out-side Palermo provided further a blend. A much less expensive

evidence that Inzolia (sometimes called Ansonica) is one of the island's under-realised treasures. It is full, nutty and characterful, can obviously withstand oak ageing, and the island's winemakers have more

than 30,000 acres of it to play

Catarratto, another white grape, is Sicily's most planted grape variety by far, and is the chief ingredient in the prettily packaged Terre di Ginestra. The 1993 is still gently floral and has some nice fruit in the middle but seems more vapid than some of its predecessors. Nero d'Avola is clearly a

great red wine resource for the island, bringing depth, concentration and longevity to many

way to taste its handsome influence than the Count's heady red, is Safeway's exclusive Nero d'Avola-dominated blend at just £3.55. This vino da tavola started off life on the Safeway shelf somewhat mys-teriously called Don Giovanni, 1991. The next shipment will be called simply Casa di Giovanni. Decanting is recom-But the two most encourag-

ing wines in the recent tasting, as is so often the case, are not in commercial distribution. A cask-aged wine made from last year's Nerello Mascalese grapes by producers Castig-lione was charmingly sprightly in much the same way as a flirtatious young red bur-gundy, while a Moscato di Note, a wine type on the verge of extinction like so many of the island's once-famous sweet wines, showed that Sicily could easily seize the Muscat de Beaumes-de-Venise market. Time for another tour of Agrigento and Ragusa.

Appetisers Rail strike

blues

aving experienced a better first half of the year than anticipated - and most restaurateurs are born optimists – the London trade suffered in July and August. Hot weather meant many people stayed out of town and conditions were further damaged by the rail strike, which is still hurting trade.

At the top end of the market, business is good with overseas visitors appreciating both British chefs and the weak pound. One leading chef told me that his restaurant was booked for dinner for the next three weeks and he was, unfortunately, having to turn

away 50 to 60 customers a day. The competition increases with some new openings in the capital: the Gaucho Grill for Argentine-sized steaks in Swallow Street, W1 (071-734 4040) and the more intimate Delicious Blue, a bar with a restaurant attached in Beak Street, W1 (071-287 1840). The Establishment has now opened at No 1 Gloucester Road, SW7 (071-589 7969) and Avenue West Eleven at 157 Notting Hill Gate, W11 (071-221 8144). Two Soho restaurants have opened branches in the City: The French House team bas opened St John, at 26 St John Street, EC1 (071-251 0848) and Gopal's has a second branch at 89 Great Eastern Street, EC2 (071-729 4218).

Nicholas Lander.

■ A week-long Belgian food festival begins on Monday to coincide with the 50th anniversary of the liberation of Brussels. Prince Philippe of Relatem will be in town to give a prize to beer writer Michael Jackson, and beer will form the centrepiece of the Harvey Nichols' Belgian promotion. Lambic and gueuze beers, fruit and abbey beers and Belgian white beers will

The following London restaurants will also be offering Belgian beers: Argyll (SW3), Avenue West Eleven (W11), Black Bull (SW10). Brasserie du Marche (W10), Calico (SW18), Clao (SW6), The Depot (SW14), Freds (W1), Green Park Hotel (W1), Green Street (W1), Grog Blossom (shop, NW3) Harvey Nichols (SW1), The Oriel (SW3), Po Na Na (NW8), Rodin (SW1), Le Shop (SW3), The Union (W1).

Giles MacDonogh ■ Biggles in west London is a traditional English sausage maker making sausages in natural casings containing at least 85 per cent meat. Recommended is the delicately herby Marylebone sausage. Biggles also makes foreign-style sausages:

Toulouse, Perigord, bratwurst, Kielbasa, merguez and boudin blanc. Biggles: 66 Marylebone Lane, W1. Tel: 071-224 5937.



CLARETS AND VINTAGE PORTS

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BBC2

8.00 Open University, 12.15 pm Film: Ring of Fire.

ond world war and taken to Ger-many to be raised by Nazi families.

2.00 The Singing Lesson. First of two films by the late Lindsay Anderson, recording his impressions of a drama class in Warsaw.

6.00 Late Again. New series. Highlights of last week's editions of The Late

6.40 What the Papers Say. John Dia-

mond reviews the week's press.

6.55 News and Sport; Weather.

7-10 Developing Stories. Dramatised documentary comparing the hard-ships facing modern-day Indian farmers with those inflicted on Scottish contiers in the 19th centure.

8.00 The Director's Place. New series Self-portrait of British filmme

ish crofters in the 19th century.

Undsay Anderson, who is best known for the films This Sporting

tollow Anderson's dealy routine, providing an insight into his life and career, and exvestrop on meetings with fellow media figures including David Sherwin, David Storey, Joce-

lyn Herbert and Alan Price, Ander

son died shortly after this profile

from 1971 which chronicles the life

of Queen Elizabeth I, beginning with the 10-year period preceding her accession to the throne at the age of 25. Staming Glenda Jackson, Ronald Hines, Daphne Slater, Rachel Kengson and Bernard Hepton.

was made. 8.55 Top Geer Take Two. Chris Goffey

profiles Black Bess, a 1913 Bugetti. 9.00 Knowing Me, Knowing You - With Alen Partridge.

9.30 Elizabeth R. Award-winning serie

11.00 The Moral Maza. A selected panel

debates topical dilemmas.

Lost and Found: Bon Voyage/
Aventure Malgache. Two Hitch-

cock shorts from 1944. The first fol-lows an RAF gurner who escapes

from a French PoW camp; the sec-ond chronicles the life of a Mada-

Awards. Musical highlights from this year's ceremony, including performances by Paul Weller, Shara Nel-

gascan lawyer. (English subtities). The Lata Show Mercury Music

son, Blur and Michael Nyman.

BBC2

10.30 Grance Hill. 10.55 Grov

6.15 Open University, 9.10 Juniper Jungle, 9.25 Bitse, 9.40 Eek the Cat, 10.05 What's That Noise?

10.30 Grange Hill. 10.55 Growing Up Wild. 11.20 Bay City. 11.45 The O Zone. 12.00 Rugby Special.

1.00 Sunday Grandstand. Introduced by Sue Barker. Including at 1.05 Athlet-

cs: The Great North Run. Live cov

ecastie to South Shields.

erage of the annual half-marathor

2.30 Cricket: The Sunday League.

Action from the final day of the sea

According to the shart day of the sea-son, 3.30 Golf: British Masters. The concluding round from Wobum, 5.30 Cricket, 6.30 Rowing: The World Champlonships. Highlights of the last day's racing from indianapolis.

Times may vary. Subsequent pro-

hether the public is prepared to

pay the price of cutting unemploy-ment on the 50th anniversary of a government commitment to banish it

crammes may run late.

7.00 The Money Programme. New series. Olivia O'Leary investigates

8.00 Piacido Domingo's Tales at the Opera. New series. Four films chronicling the acclaimed tenor's

participation in operas chosen to

highlight different facets of his career, beginning with a 1992 pro-

duction of Wagner's Die Walkure (The Valkyrie) in Vienna. Cameras follow Domingo as he comes to grips with his role, struggles to learn unfamiliar Germen lines, argues over

costumes and clashes with director Adolf Dresen and conductor Chris

9.00 Monty Python's Flying Circus. Sur-real comedy, including a chartered accountant who dreams of becom-ing a lion-tamer.

9.30 Reputations. New series. Biographi-

cal account, combining dramatised sequences with archival foolage, of

the feud between the American General Eisenhower and Britain's

Field Marshal Montgomery during

the King. Highlights of this morn-ing's memorial service commemora-

bella Sciorra). Directed by Spike Les

10.45 As Soon As 1 Open My Mouth, East End accents. 11.00 Richard Baker Compares

11,30 Making Love to Marilyn.

ting the 50th anniversary of the Battle of Arnhem.

11.10 Film: Jungle Fewer. Premiere.
Wesley Snipes plays an AfricanAmerican architect who begins an
affair with his Italian secretary (Anna-

1.25 Close.

SATURDAY

10.30 Out of Americanition - God Save

toch von Dohnanyi.

3.20 Film: The Whales of August.

4.50 The Addams Family.

5.15 TOTP2

45 The Phil Stivers Show.

TELEVISION

BBC1

7.25 News. 7.30 Folib, the Cat. 7.45 Joe 90. 8.10 The Adventures of Skippy. 8.35 SWAT Kets. 9.00 Parallel 9. 11.05 Pilm: Dot and the Koelo.

·**.**. . .

12.15 Grandstand, Introduced by Dougle Donnelly, Including at 12.20 Football Focus: Preview of today's Premier-ship games. 1.00 News. 1.05 Motor art: Rounds 18 and 18 of the British Touring Car Championahip. 1.25 Racing from Newbury: The 1.30 Hacing from resentary. The 1.50 Mariborough Nursery Handicap. 1.35 Motor Sport. 1.55 Racing: The 2.00 Rokeby Farms Mill Reef Stakes. 2.05 Golf: British Masters. Third-round action from Woburn. 2.25 Racing: The 2.30 Courage Rated Stakes. 2.35 Golf, 2.55 Racing from New bury and The Curragh: The 3.00 Tote Autumn Cup (H'cap) and 3.10 Smurfit National Stakes, 3.20 Golf. Smarth National Stakes, 3.20 Golf.
3.40 Racing from The Curragh: The
3.45 Jefferson Smurtit Irish St Leger.
3.50 Golf. 4.35 Athletics: The Junior North Run from Newcastle to South Shields, 4.40 Rowing: The World Championships from Indianapolis. 4.50 Final Score. Times may vary.

5.15 Cartoon.

Str

blu

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5.25 News. 5.35 Regional News and Sport. n 5.40 Stay Tooned! 6.10 Bruce Forsyth's Generation Game. 7.10 Challenge Angelta, Action-women enge Anneka. Action-woman

Anneka Rice is set the difficult task of renovating a Swarsee arts central and staging a concert.

8.00 Casualty. New series. Ash clashes with a new senior staff nurse, and Charlie is forced to reconsider his vansee arts centre

career in rursing. Hospital dram starring Derek Thompson, Clive Mantie and Patrick Robinson. 8.50 News and Sport; Weather. 9.10 Film: A Kiss Before Dying, Premiere. A psychopath murders his preg-nant girlfriend and marries her twin sister to scheme his way into the family business. Suspense thriller, starring Matt Dillon, Sean Young and

Max Von Sydow (1991). 10.40 Match of the Day, Highlights of two matches in the FA Premiership, and goes from the day's other fixtures.

11.40 The Dayny Baker Show, New series. Comedy, music and chat, featuring comedian Paul Merton and

singer Bryan Farry. 12.20 Film: The Perfect Wespon. A martial arts expert sets out to avenge the murder of his friend and mentor. Thriller, starring Jeff Speak-man and John Dye (1991). 1.40 Weather.

BBC1

7.30 Dilly the Dinoseur. 7.35 King Greening 7.40 Paydays. 8.00 Blood and Honsy. 8.15 British with Frost. 9.15 Out of Ammunition - (

12.00 CountryFile. 12.25 Weather for the Week Ahead.

1.06 Steven Spletberg's Amazing Sto-ries. The Greibble, starring Hayley Mills as a housewife whose home is

invaded by a monstrous cres

Film: Promises to Keep. Robert

Mitchum stars elongside son Chris-topher and grandson Bentiey as a dying man trying to make amends with the femily he deserted 30 years before (TVM 1985).

Dani Behr and chaf David Wilson

judge the culinary offerings of con-testants from Bury St Edmunds,

teams of ameteurs compete to find the best buys at the Newark Interna-

tional Antique and Collectors' Fair.

autumn fashion buys, designer Wayne Hemingway's style portrait of his home town, Blackburn, and

developments in cosmetic surperv.

presents the first of two pro-grammes tracing the history of the

developments in cosmetic surgery.
6.25 News.
6.25 Songs of Praise. New series.
7.00 Small Talk.
7.30 Birds of a Feather. New series.
Sharon, Tracey and Dorien prepare for royal neighbours.
8.00 The Palisdium Story. Paul Merton

grammes tracing the listing of this famous variety theatre.

9.00 News and Weather.

9.20 Screen One: Two Golden Bells.
Comedy drama about a naive anti-porn campaigner who unwritingly teams up with two actresses to make a sex film. Kim Cattrail and China Stidners star.

10.30 Everymen. Report on possible candidates for the next Pope, in the

candidates for the next Pope, in the light of recent numours about John Paul II's failing health.

11.20 Film: Five Easy Pieces. A middle-class drifter takes his pregnant mistress home – then dumps her in favour of his brother's fignose.

Orange with last Michaelens (1927).

Drama, with Jack Nicholson (1970). 12.55 The Sky at Night.

1.20 Weather. 1,25 Close.

Claire Skinner star.

Suffolk and Norwich.

4.45 The Great Antiques Hunt. Two

Hosted by JEEV Goolden.

5.40 The Clothes Show. Mainstream

et TV personality

12.35 Harry and the Hendersons.

the King. 11.30 See Hear

1.00 Cartoon.

1.45 Close.

SATURDAY

LWT

6.00 GMTV. 9.25 What's Up Doc? 11.30 The ITV Chart Show. 12.30 pm The Littlest Hobo.

2.10 Timewatch. Thousands of Polish children were seized during the sec-1.00 ITN News: Weather. 1.05 London Today; Weather. 1.10 Movies, Games and Videos. Reviews of Clear and Present Danger, staming Harrison Ford, and What's Eating Gilbert Grape?, with

Johnny Depp. 1.40 Superstars of Wrestling. 2.25 Life Goes On. The Thachers have

an unexpected guest when they return from a family funeral. 3.20 Burke's Law. An embezzier is found murdered in a hotel room shortly before he is due to stand trial. Cri-

mebusting detective series, starring Gene Barry. 4.20 Cartoon.

4.45 ITN News and Results: Weather 5.05 London Tonight; Weather 5.20 Baywatch, Part one, Matt and Slade vie for Summer's affections, while Mitch tries to help a beautiful hitch-hiker – and is taken hostage for his

trouble. 6.10 Gladietors. Contanders from Lichfield, Evesham, Huddersfield and Lee-on-Solent challenge the might of the muscle-bound wantors. 7.10 Barrymore. Joe Pasquale and Brad-ley Walsh join Michael Berrymore for

ther edition of the comedy show 8.10 Terrent: 10 Years on TV. Compile. tion of outrageous and hilarious small-screen class from the past to

8,40 ITN News: Weather.

8.55 London Weather. 9.00 Plant Desperate Hours. Premiere.
An escaped criminal invades the home of a wealthy middle-class family. Thriller, starting Mickey Rourke, Anthony Hopkins and Marni Rogers (1990).

11.00 The Big Fight Special and World
Cup Rugby Union. Boxing: Ireland's
Wayne McCullough v Mexican Andres Cazeres in a bentamweight bout from Las Vegas. Rugby Union: High-lights of Romania v Wales from Buc-harest; ITN News Headlines.

12.00 Bruce and Bob Eat America. 1.00 Love and War. 1.30 Get Stuffed: ITN News Headlin

1.35 Pro-Box. 2.35 The Big E; ITN News Headlines.

3.30 Europeen Nine-Ball Pool Masters 4.30 BPM.

SUNDAY

LWT

6.00 GMTV. 8.00 The Disney Club. 10.15 Link. 10.30 Sunday Matters. 11.00 Morning Worship. 12.00 Sunday Matters. 12.30 pm Crosstalk;

1.10 The Everest Merathon. Film follow-

2.10 COPS. Pilot episode. An elite group of policemen join forces to combet

2.40 Film: Double Bunk. Comedy about

4.29 Film: The Real Glory. Soldiers of

6.30 Dr Quinn: Medicine Woman, Dr

the misaciventures of a newlywed couple living in a leaky old house-boat. Ian Carmichael and Janette

fortune help the US Army quell a terrorist uprising in the Philippines after the Spanish-American war.

Mike is upset when Sully doesn't ask her to accompany him to the

7,30 Heartbeat. A rables outbreak hits sleepy Aldenstield, and Nick realises that unless emergency measures are taken it could develop into a full-scale epidemic. Nick Berry stars.

9.00 London's Burning. Pearce acts as impromptu midwife when an expec-tant mother is involved in a bad traf-

10.45 The South Bank Show. New series.
Profile of Kenneth Williams, examining the contrast between the public and private lives of one of the UK's best-loved comic figures.

11.45 Sail Great Britain. Gareth Evans and Saily Simmonds report from the

2,15 Get Stuffed; ITN News Headlines.

2.20 Film: Escape from Bogen County. Political drama, with Jaclyn Smith (TVM 1977); ITN News Hesclines.

caper, starring Ernest Borgnine (TVM 1976).

4.05 Film: Future Cop. Sci-fi crime

RADIO

Southernoton International Boat

fic accident on her way to hospital.

ing the mammoth event.

crime in the year 2020.

Scott star (1961).

6.00 London Today: Weather.

Sweethearts Dance.

8.30 You've Been Framed!

10.00 Hale and Pace. 10.30 ITN News: Weather.

10.40 Local Weather.

12.15 You're Booked!

12.45 Cue the Music.

5L25 Get Stuffed.

1.45 Married - With Children.

6.20 ITN News: Weather.

(1939).

1.00 ITN News; Weather.

CHANNEL4

5.00 4-Tel on View. 6.20 Early Moming. 8.45 Bitz. 11.00 Gazzatta Footbel Italia. 12.00 High Five. 12.30 pm The Great Maratha (English aubitiles).

1.00 Film: Nine Men. A small unit of soldiers and their sergeent attempt to fend off advancing Italian forces in Libya. Wartime drama, starring Gordon Jackson and Jack Lambert

2.15 Racing from Ayr and The Curragh. From Ayr: The 2.25 Dalblair of Ayr Ford Nurseries Handicap, 3,05 Silver Cup (H'cap), 3.35 Stakis Reger Clubs Doonside Cup, 4.15 Ladbroke (Ayr) Gold Cup (H'cap), and the 4.45 Johnnie Walker Whisky Handicap. From The Curragh: The 8.10 National Stakes, and the 3.45 Jeffer-son Smurfit Memorial Irish St Leger.

5.05 Brookside; News Summary.

6.30 Right to Reply. New series, Viewers comment on recent TV programmes The People's Parliament. Me

of the public debate whether local councils should be given the power to run their own police forces. 8.00 Film: The Desert Rats. An English captain takes command of Austra-lian troops at the siege of Tobruk, and ends up in a pitched battle with

Field Marshal Rommel. Drama, with es Mason (1953). 9.40 Trief and Error. David Jessel examines the cases featured in the series so far, and looks ahead to new procrammes broadcast this week. The

rogram includes updated reports on Mary Druhan, a vagrant convicted of arson and murder, and Mark Cleary, who served 10 years prison for the murder of a 10-yearold boy before his convic guashed on appeal.

10.05 Fanny and Alexander. Concluding part of ingmar Bergman's semi-a tobiographical drama. Panny and nder return to the bosom of femily life after the bre mother's maniage. Pemilia Alwin stars. (English subtitles).

11.35 Late Licence. 11.45 Herman's Head.

12.15 Brace Yourself Sydney.

1.00 Passengers.

2.05 Marc Bolan: The Legendary Years. 3.10 Packing Them In.

CHANNEL4

6.00 Bilitz 7.10 Early Morning, 9.45 The Colyase; 10.15 Saved by the Sell, 10.45 Pawhide, 11.4 Little House on the Prairie,

12.45 Film: Gigot. A boarding house

2.45 Football Italia. Live action from Serie A. Fotures include Milan v

Lazio and Parma v Cagliari.

5.05 Filate Private's Progress. British cornedy takes a satirical swipe at

army life during the second world

7.00 Equinox. A look at the past, present

war, Ian Carmichael, Richard Attenborough and Terry-Thomas star (1956).

and future of the Earth's coral reefs,

which are facing their greatest threat in 65 million years as pollution and the global tourist boom destroy the

The programme explores the depths of the South China Sea, the Florida

Keya and the Red See, and assesses the effectiveness of efforts to preserve Australia's Great Barrier

21st Century Airport, Itsaan archi-tect Renzo Plano's designs are finally implemented, and we witness the grand opening of Kansai Interna-tional Airport in Japan. Is the land-mark construction a modern masterpiece, or a potential disaster for the least emiscenter and con-

8.00 21st Century Airport, Italian archi-

9.00 Film: Doc Hollywood. Premiere.
Cornedy romance, starring Michael J
Fox as an arrogent Hollywood plastic surgeon whose life changes
when he is stranded in rural South

10.55 Belfast Lessons. New series. A report on Hazelwood College, one of several schools in Belfast which caters for both Catholic and Protes-

11,10 Gaelic Games. Football: Down v Dublin in the All Ireland Final from

12-10 Film: Wend Kuuni. A ferming

tant children, following the experi-ences of several pupils.

couple adopt a mute youngster found wandering alone in the African

bush. Drama, starring Serge Yarago and Joseph Nikiema (1991). (English subtitles).

munity?

Carolina (1991).

Croke Park.

conditions they need to thrive in.

2.35 Motherhood

5.00 News Summary.

caretaker who has lost the power of speech takes in a homeless prosti-tute and her child. Officest comedy,

starring Jackle Gleason (1982).

3.50 Close.

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE

AMRALIN: 12.30 Movies, Games and Videos. 1.05 Angita News 1.10 Nigel Mansell's IndyCar '94, 1.40 Von Ryan's Express. (1983) 2.45 Knight Rider. 5.05 Anglia News and Sport CENTRAL: 12.30 America's Top 10. 1.05 Central News 1.10

The Munsters Today. 1.40 Movies, Games and Videos. 2.10 Hamibal Brooks (1969) 3.55 WCW Wortforkdo Wresting. 5.05 Central News 5.07 The Central Methol. 6.05 Central Westher.

Channel Diery. 1.10 The ITV Chart Show. 1.05 Channel Diery. 1.10 Nigel Mansell'a indyCar '94. 1.40 Sall Great Britain. 2.10 The Dist Blow Kd., (1986) 3.45 Kingha Rider. 5.00 Channel News. 5.05 Puffar'a Platijos. 6.15 Cartoon Time. Part a Pagica. 6:19 Grampien Haedlines 1,10 Tele-fice. 1,40 Eleanen Ionmhais. 2:10 Donnie Murdo. 2:40 Culm Cohrns. 3:00 Zoro. 3:25 Nigel Man-sell's IndyCar '94. 3:55 Superstars of Wresting. 5:05 Grampian Heedlines 5:10 Grampian News Review 8:35 Grampian Weether.

GENAMON:
12.30 Movies, Games and Videos. 1.05 Granada
News 1.10 Get Wet, 1.40 Nigel Mansel's inclyCar
'94, 2.10 I Married Wyatt Earp. (TVM 1983) 3.55
Superstant of Wrestling, 5.05 Granada News 5.10
Granada Goels Extra.

12.30 Movies, Gernes and Videos. 1.05 HTV Ne 1.10 Nigel Mansel's IndyCar '94. 1.40 Knight Rider. 3.30 Carbon Time. 3.45 Red Arrows Over America. 5.05 HTV News and Sport 8.55 HTV Weather. NTV Water se NTV except: 12.30 The Gen. 3.30 Skiing New Zealand. 3.55 World Cup Rugby.

SEGREDIANS: 11.30 COPS. 12.00 The ITV Chart Show. 1.05 Meridian News. 1.10 Nigel Mansell's IndyCar '94. 1.40 Sell Great Britain. 2.10 The Dirt Blee Nid. (1886) 3.45 Knight Rider. 6.05 Meridian News. 5.15 Cartoon Time.

SCOTTISH: 12.30 Extra Time. 1.05 Scottand Today, 1.10 Faith, Hope and Calamity. 1.40 Telefice, 2.10 Take Your Plok. 2.40 Casey's Shadow. (1878) 5.05 Scotland Today 6.55 Scottish Weather.

TYME TIES: 12.30 Movies, Games and Vicieoa. 1.05 Tyme Tees News. 1.10 The Fall Guy. 2.05 Carry On Cabby. (1983) 3.45 Knight Rider. 5.05 Tyme Tees Saturdary

witza i COLUMN NY:
12.50 Movies, Garnes and Videoa. 1.05 Westcountry News. 1.10 Yesterday's Heroes. 1.40 Nigel Mansel's IndyCar '94. 2.46 Mission Top Secret. (1990) 5.05 Westcountry News 8.55 Westcountry Westiner.

YORKSHIRE: 12.30 Movies, Games and Videos. 1.05 Calenda News. 1.10 The Fall Guy. 2.05 Carry On Cabby (1985) 3.45 Knight Filder. 5.05 Calendar News. 5.10

Scoreine. 34C Wales as Channel 4 except:—
49 to Twice Round the Defic 34C Wates as Channel 4 except.
7.00 Estly Morning, 12.00 Twice Round the Deflo-dits, (1962) 1.25 Hector Heathcote, 1.45 Rygbt Gemau Rhagbrofol Cwpan y Byd 1985, 3.25 Racing from Ayr and The Curragh, 6.30 Newyddion, 6.45 Tocyn Tymor, 7.40 C'Mon Midffild, 8.15 Cefn Gwlad, 9.15 Llygaid Sywar, 9.40 Ferny and Alexan-der, 11.30 First Frame.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE

POLLOWING THESE-ANGLIA:
12:30 Bodyworks, 12:55 News, 1.10 The Captain's Table, (1956) 2:50 Fether Dowling Investigates, 3:45 Love Among Thievas, (TVM 1987) 5:30 Heiricom.
6.00 News On Sunday 10:40 Weather, 11:45 Street

Cates I Message 1.2.55 News 1.10 Rocksport. 1.30 Gerdening Time. 2.00 A Tribute to Billy Winght. 2.30 The Match - Live. 4.55 Hit the Town. 5.25 Fether Dowling Investigates. 6.15 News 6.20 Dr Quinn:

CRAMPIAN: 11.00 Deanamaid Gairdeachas. 11.45 Spiorad. 12.30 Gardener's Diary. 12.55 Headlines. 1.10 Highway to Heaven. 2.00 Scotsport. 3.15 The Mountain Bites Show. 3.45 The Twelve Tasks of Asterix. (1979) 5.15 Pick a Number. 5.45 Movies, Games and Videos. 6.15 Headlines 10.40 Weather. 11.45 Prisoner: Cell Block H.

12.25 Gardener's Diary. 12.55 News 1.10 Sturt-masters. 1.50 Hot Wheels. 2.20 The Great Escapa. (1983) 5.20 Dr Quinn: Medicine Women. 8,15 News 6.30 Coronation Street. 11.45 Festival: The Last Paintings of Derek Jarman.

HTVs:
12.25 The Listlest Hobo. 12.55 News. 1.10 Highway
to Heaven. 2.00 Limited Edition, 2.30 Survival. 3.00
The West Match. 3.00 Carry on Cabby, (1983) 5.15
Country Watch. 5.45 Up Fronti 6.15 News. 10.40
Westher. 11.45 Prisoner: Cell Block H.

Westley, 11-16 Transcription of the Match. 2.10 News. 1,10 100 Women. 2.00 Wented: Dead or Aliva. 2.30 The Match. 3,15 Carry On Again Doctor. (1965) 4,50 Highway to Heaven. 5,45 The Village. 6,15 News. 11,45 Both Sides of the Fence.

SCOTTISM: 11.00 Deanmaid Gairdeachas. 11.45 Eikon. 12.30 Skoosh. 12.55 Scotland Today. 1.10 Mecgyver. 2.00 Scotsport. 3.15 Tom Horn. (1978) 8.05 Kright Rider. 6.00 Cartoon Time. 6.15 Scotland Today 11.45 Hot Paint. (1987)

TYPE TIMES: 12.25 Newsweek, 12.50 News, 1.10 My Town, 2.05 Highway to Heaven, 3.00 Airport '80: The Con-cords, (1979) 4.55 Dinosaurs, 5.20 Animal Country, 5.50 Weekend, 11.45 The Powers That Se.

MESTCOUNTRY: 12.30 Update, 12.55 News, 1.10 Special Report

1.40 Cobblessones, Cottages and Castles, 2.10 The Hindenburg, (1975) 4.20 Sall Great Britain, 4.50 Cotton on Cerves, 5.20 Murder, She Wrote, 6.15 Naws 10.40 Weather, 11.45 Prisoner: Cell Block H.

Noves Tutul Visuary: 1250 News. 1,10 My Town. 2.05 Highway to Heaven. 3.00 Airport '80: The Corocia. (1979, 4.55 Drosaurs. 5.20 Animal Country. 5.50 News and Weather 11.45 The Powers That

S4C Wales as Channel 4 excepts-9.05 Kate and Orbie. 9.35 Dead Eye Dick. 9.45 Little Red Fool House. 9.50 Rewhide. 10.50 Baby-

LTIDE HEG FOOI HOUSE. 9.50 Reswhicks. 10.50 Bebylon 5. 12.45 Mark and Mindy. 1.15 Rocke's Modern
Life. 1.45 Equinox. 5.00 Short Stories: Hard Men.
5.30 Pobol Y Cwm. 7.20 Hapus Dyfla. 7.50 Yn Y
Teulu. 8.20 Cymru. Gwisd Y Cen? 8.50 Newyddion.
8.56 Seith Ar Y Sul. 9.15 Undeb y Bedyddwyr. 9.30
Ar Derfyn Dydd. 8.35 The Missouri Breeks. (1976)
11.55 The Sleep of Resson.

CENTRAL:

AMPIAH: .

SCOTTISHE

TYRE TEES:

CHESS

Britain's two contenders for the PCA world championship start their semi-finals on Wednesday, when Nigel Short meets the top American Gata Kamsky while Michael Adams plays the world no 3 Vishy Anand. The 10-game matches at Linares in Spain eventually lead to a title challenge to Garry Kasparov in 1995.

An all-British final looks the least likely outcome. Short, still feeling the effects of his 1993 defeat by Kasparov, has been in subdued form this year, while Kamsky is blossoming at age 20 and is the only player still in contention for both the PCA and Fide versions of the world title. But Short's best results have been in matches, Linares was the venue for his victory over Anatoly Karpov. His experience will count if he can overcome

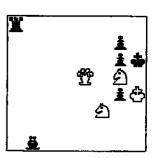
his habit of early losses. Adams has never beaten Anand in classical slow chess, and the England No 2 lost to the Indian two weeks ago at the Intel Grand Prix. Anand prepares well, plays quickly and is the favourite to challenge Kasparov. Adams says: "On his record he is stronger than me, but sometimes he feels the pressure in high level contests, and that would give

me a chance." My forecast? Anand by 51/2-81/4 and Ramsky by 51/2-41/4,

but I would be delighted to be proved wrong. An English win at this week's world junior champion-

ship in Brazil (D Kumaran,

White; V Georgiev, Black): 1 d4 d5 2 c4 c6 3 Nf3 Nf6 4 Nc3 e6 5 Bg5 dxc4 6 e4 b5 7 e5 h6 8 Bh4 g5 9 exf6 gxh4 10 Ne5 Oxf6 11 a4 Bb7 12 Be2 Bg7 13 Bf3 Qe7 14 axb5 c5 15 dxc5 Bxe5 16 c6 Bxc6 17 bxc6 Bc7 18 Qd4 Rg8 19 0-0 a5 20 Nd5! exd5 21 Rfe1 Nxc6 22 Qxd5 Ne5 23 Qxa8+ Qd8 24 Rxa5 Resigns. No 1039



White mates in three moves against any defence(by Sam Loyd, 1855). The black king is trapped, but the obvious tries 1 Nh2 Bf5 and 1 Ne6 Rg8 fail so you need a surprise. Solution Page XIII

was no further trick for the

defence. None of the players

error? It was West's third dia-mond lead. He knew that his

partner had three diamonds

and should have known that

forcing the declarer was not

going to defeat the contract. West must make a trick with

his heart king and, if he can

score his spade king as well, he will defeat the contract. Can this be achieved? Yes,

by cutting off the declarer from dummy's club suit. At trick

three, West should play a club

and, when he gets in with the

Did you spot the defensive

said anything.

Leonard Barden

BRIDGE

West took his king but there Today's hand comes from teams-of-four. Here is Attack Where it Hurts:

♠ Q 10 8 ♥ J 7 4952 # A K Q 10 7 **↑**76532 **9**654 **♦ A K Q 10 6 ♦ J83 4**9643 ♥ A Q 10 9 8 3

With both sides vulnerable, South dealt and bid one heart. West over-called with two diamonds and North said three chubs. The opener re-bid three hearts and North raised to

four, ending the auction. West opened with the ace of diamonds, on which East dropped the three, and continued with king and queen. Declarer ruffed the third dia-

with ace and another heart.

heart king, he must lead another club. Now, if declarer has no further club and East still has a trump, South goes down.

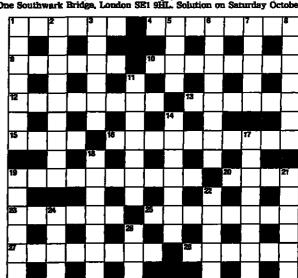
This particular form of attack on the declarer's lines of communication seems a blind spot with many reasonably good players. mond and continued wisely

E.P.C. Cotter

CROSSWORD

No. 8,561 Set by DINMUTZ

winner's name for the first correct solution opened and five runner-up prizes of \$35 Pelikan vouchers. Solutions by Wednesday September 28, marked Crossword 8,561 on the envelope, to the Financial Times, Number One Southwark Bridge, London SEI 9HL. Solution on Saturday October 1.



ACROSS
1 Drink in sailor's world? (6) 4 Can one not give a promise with it? (4,4)

with it? (4,4)
9 Vessel in hearty fight (6)
10 Cross through lines (8)
12 Delivery breakdowns? (8)
13 Health guarantee (6) 18 Health guarantee (6) trouble again (6)
15 Stretched when instructed, 5 Frank, 2 writer, joins circle

15 Stretched when instructed, say? (4)
16 Sedate sort of boss desire change? (10)
19 Many like to marry, to make a knot (5-5)
20 Doctor into specific gravity of air pollution (4)
23 Former partner takes on new temp, free! (6)
26 Chalsan for example in 17 For mastery of canoe, mind

20 Doctor into specific gravity of air pollution (4)
23 Former partner takes on new temp, free! (6)
25 Chelsea, for example, in ordeal of judicial examination (8)
27 How Americans coerce a transport existent? (8)
28 Doctor into specific gravity of a Breages river enclosures (7)
11 Bloomer and a big one, it turns out (7)
14 Planet hard to pick up? (7)
17 For mastery of canoe, mind turbulence! (9)
18 Do in a battery? (3-5)
29 How Americans coerce a 19 Applaud satellite for so long

transport system? (8) (7)
28 Meeting to restore the spirits? 21 Old vessel grand, perfect

(6) one at sea (7)
29 Backwoods not popular. 22 Body end in view? (6)
treacherous? (8) 24 Order of the dictionary (5) 30 Scattered news, perhaps, 28 High water for Jack Point? (4)

around Turkey (6) Solution 8.560

LOUISQUINZE SOL
O N C S I M H E
GRACE ENGRAYING
C F N L H N Y A
AGREEMENT ADEPT
B A S I T R E
ICICLES EPIC
N D A O F F
GUAM DENARIII
G A N I O E L
LOGIC SUGARBEET
O A H L R H H E
STRAPPADO ONAIR
S I A Y S D N E
ARC DISREGARDED

Solution 8,549

DOWN

1 What about pictures going

from one side to another? (7)
2 One's stout mixed and smoothly sustained in bars

3 Engineers' burden can be

Arrest Land

1.25

BBC RADIO 3 BSG RADEO 3
6.30 Cpus University: Learning through Life, 6.55 Weather.
7.00 Sacred and Protane, 8.65 Choice of Three, 9.00 Brian Key's Sunday Morning, 12-15 Music Matters, 1.00 Septhown at Edinburgh, 2.35 La Bonne Chanson, Wolf, Brahms, Faure, 4.15 Bortin Philipsmynolic Orchestre, 5.45 Improviptions. Orchestra. 5.45 interpretations on Record. Recordings of Verdi's Requiem. 6.45 Papel Motets. 7.30 Drama Nov. An Inspector Called Horse, Peter

BBC RADIO 4 6.00 News. 6.10 Prolude.

7.00 News.

6.30 Morning Has Broken. 9.00 (FM) The Natural History Programme, With Kelvin Boot. 7.10 Sunday Papers.

10.00 News. 10.16 Survivors. 10.45 Good Lookers, New series. 11,16 Dr Burney's Travels 11.45 Seeds of Faith.

12.00 News. 12.30 Shipping Forecast. 12.43 (LW) As World Service. 12.43 (FM) Close. 2.00 Gardeners' Question Time BBC RADIO 5 LIVE 6.05 Hot Pursuits. 3.30 Pick of the Week.

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHz Abraham 1.00 World and British News. 1.15 Mind Masters. 1.30 in Preise of God. 2.00 News and features in German. 6.30 Composer of the Month. 7.00 World and British News. 7.15 Latter from America. 7.30 Jazz For The Asidng. 8.00 World News. 8.15 March of the Women. 8.30 BBC English. 4.45 Fruhmegazin.

From Our Own Correspondent. 8.50 Write On. 9.00 World News. 9.09 Words of Faith. 9.15 The Greenfield Collection. 10.00 World News and Business Review. 10.15 Stort Story, 10.30 Folk Routes. 10.45 Sports Round-up. 11.00 News Summary; Science in Action. 13.10.990 Smaller. 11.46

Europe Today. 9.00 World News. 9.09 Words of Faith. 9.15 Blues World. 9.30 Brain of Britain, 10.00 Newshour, 11.00 World News and Business Review, 11.15 Short Story.

From Our Own Correspondent

SUNDAY

8.50 The Week's Good Cause. 10.15 The Archers. Omnibus. 11.45 Esting Out. New series.

> 12.15 The Big Byte. 1.04 Sunday Scort. 7.00 News Extra. 7.25 The Acid Test. 8.00 The Utimate Pre-10.05 Special Assignment. 10.35 Crime Desk 11.00 Night Extra. 12.05 Nightcal.

Summary; Science in Action.
11.30 BBC English. 11.45
News and Press Review in
German, 12.00 Newsdesk.
12.30 Pisy of the Week. 2.00
Newshour. 3.00 News
Summary; Daughters of
Abraham. 3.30 Anything Goes.
4.00 Weeks 4.15 BBC. 4.00 World News, 4.15 BBC English. 4.30 News and features in German. 5.00 World and British News. 5.15 BBC Bridgin News. 3.10 DDJ English, 8.00 World News and Business Review. 8.15 Health Matters. 6.30 News and features in German. 8.00 Sounds of South Africa. 8.30

11.30 Letter from America. 11.45 Sports Round-up. 12.00 Newsdeck. 12.30 Daughter's of Abraham. 1.00 World and

9.30 (FM) Restooint.

6.30 The Breakfast Programme 9.00 Alesteir Stewart's Sunday. 12.00 Middey Edition.

WORLD SERVICE

WINNERS 8,549: W. Reiton, London; D. Alden, Hunmanby, E. Yorks; R.C. Ardron, Wath-on-Dearne, Rotherham; R. Hunt, Rainford, St Heiens; Mrs M. Lewis, Colwinston, S Glamorgan; E.D. Lucas, Pewsey,

5.46 Music Matters, wan Hewert reports from this year's Performing Arts Lob. 6.30 Debut Mozari, Chopin, Stravinsky trans Gampel, 7.40 Beatrice and Benedict. Berico: in opera. Sung in a new English translation. 9,50 Interference. By Julian Barnes. 10,30 Fluie Encores. Flautist William Bennett and plants! Clifford Benson, 16,50 Kenny Wheeler Big Band, Concert at the Wansick Arts Centro in 1890 12.30 Close.

> **BBC RADIO 4** 8.00 Naws.

REC RADIO 3

8.30 Open University: An MEP in Action, 8.55 Weather, 7.00 Record Review, 9.00 Building 8

12.00 Spirit of the Age. 1.00 Japanese Reflections. 1.15 Celebrity Recital. 3.00 Virtage

Yeers, 5.00 Jazz Record Recuests, With Geoffrey Smith.

LECTIV. 10.15 Record Re

45 Music Matters, Ivan

BBC RADIO 2

8.00 Subset Borot, 8.05 Brian Matthew, 10.00 Judi Spiere, 12.00 Hayes on Saturday, 1.30 The News Huddines, 2.00 The Colore of Matthews, 1.30 The News Huddines, 2.00 The Colore of Matthews, 1.30 The News Huddines, 2.00 The Colore of Matthews, 1.30 The News Huddines, 2.00 The Colore of Matthews, 1.30 The News Huddines, 2.00 The Colore of Matthews, 1.30 The Farming Week, Fural and spicultural magazine. The News Muddines. 2.00 The 7.00 Today. Golden Days of Radio. 5.00 8.00 News. Rennie Hitton. 4.00 The Midth 9.05 Sport on 4. of a Mation. 5.00 Nick Berraclough. 6,00 The Berron Knights. 7.00 100 Years of the Movies. 7.30 Welsh Froms 1904, 9.30 David Jacobs. 12.05 10.00 Loose Ends. Chat show. 11.00 Talking Politics. 11.30 From Our Own 12.00 Money Box.

The Arts Programme, 12.05 Ransio Hilton, 1.00 Charles Nove, 4.00 Sujeta Barot. 12 25 The News Quiz. 1.00 News. 1.10 Any Questions? 2.00 Any Answers? 071-560 4444, Listeners' responses. 2.30 Pleyhouse: A Perk in St Patersburg. Comedy, by John 4.00 The Rope of Mitteleurope. Jews and the rise of Nexism.

4_30 Science Now. 5.00 The Grand Hall and the 5,40 Mon of Letters. 6.00 News and Sports. 6.25 Week Ending. 6.50 Postcards from Gotham. 7.20 Kolektoscope Feature. Writer John Harvey traces the rise and test of jezz trumpeter Alex Weish. 7.50 Seturday Night Thesint: Time and the Consenys. JB Priestley's drama set in the aftermath of the first world war.

9.50 Ten to Ten.

10,15 Looking Forward to the

12.00 News. 12.33 Shipping Forecast. 12.43 (LW) As World Service. 12.48 (FM) Close. BBC RADIO 5 LIVE 11,35 Crime Desk. 12.00 Middey Edition.

6.05 Dirty Tackle. 6.30 The Breakfast Programme. 9.30 Weekend with Kershaw and Whittaker. 11.06 Special Assignment. 12.15 Sportscall. 1.04 Sport on Five. 5.00 Sports Report. 7.55 Saturday Edition. 9.35 Out This Week. 10.05 The Treatment. 11.00 Night Extra.

1.00 World News. 1.09 Words of Feith. 1.15 Multitrack Alternative. 1.45 Sports Round-up. 2.00 Newshour. 3.00 News Summary; Sportsworld, 4.00 World News. Sportsworld, 4.00 World News. 4.16 BBC English, 4.30 House Alduel, 5.00 World and British News. 6.15 Sportsword. 6.00 BBC Engilsh. 6.30 Heute Aktuel. 7.00 News and features in German. 8.00 News Summary; Madonna: Truth or Dare? 8.45 From the Weekles. 9.00 World News. 2.10 Words of Fath. 9.15 Development 94. 9.30 Meridian. 10.00 Newshour. 11.00 Night Extra.
12.05 After Hours.
2.00 Up Alf Night.

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m) at these times BST:
8.00 Morgentnagezin, 6.30
Europe Today, 7.00 World and British News. 7.15 The World Today, 7.30 Meridian. 8.00

Semen.

World News, 8.15 Waveguide, 8.25 Book Choice, 8.20 People and Politics, 8.00 World News, 9.00 World News, 9.00 World News, 10.00 World News and Business Report, 10.15 Worldbrief, 19.30 Dewelopment 94, 10.45 Sports, Round-up, 11.00 News, Suntmary, Jazz Now and Then, 11.15 Letter from America, 11.45 Letter from America, 12.05 Patrick List, 3.00 Steve Madden.

Redgrove's mythological thelier, 8.45 Music in Our Time. Femsyhough, 19.30 Choir Works, Bruch, 12.30 Close.

7.50 Onloins 8.00 (FM) The Rape of 8.00 (LW) Open University, 8.00 in Other Words: Child's Play.

8.30 Great Pioneers of Education: Kurt Hahn, 9.00 Modern Art: Educatio Peolosiza and Terry Addisson Interviewe 9.20 Victorian Religion: Dale and the CMc Goopel, 9.40 Matther Religions.

8.30 (FM) Your Flace or Mine?

4.15 The Man Who Made the

5.30 Poetry Please. With guest lan McMillen.

5.00 Framing the Land.

6.00 Six O'Clock News.

8.30 Children's Radio 4: The Horse and His Boy. By CS

6.15 Feedback

DRAINAGE SCAMPIILO DREBUTTER GENTLE
EIAAAATA
CONTRITE ORWELL
TOYCSIR II
CONTENDERS
WSBARGOTT
EXTRACTION
NASSINSE
DENOTE AGITATED
VIABLE GOLONIST
ER L L COR



Alexander Downer heard of him either, but apparently Downer, 42, is the leader of Austraiia's opposition Liberal Party. Downer has held down this

job for only four months, so one might be forgiven for wondering what this Tony Blair of the antipodes had done to deserve such treatment. The answer is: he has made one joke too many, in public.

"he has made a series of gaffes since becoming leader, affronting women's and civil rights groups,

"The most damaging incident occurred last week when he outlined to guests at a fund-raising

The last laugh for the honest joker

Dominic Lawson says politicians are so afraid of offending that they no longer dare tell the truth

icy document called 'The Things That Matter'. Attempting some light-hearted banter, he caused outrage by describing the party's policy on domestic violence as 'the things that batter'."

Not the best joke I have ever heard, but is it such an excruciat ing pun that the man responsible should be sacked? Alas, the outrage was not at the quality of Downer's sense of humour, but at the fact that he was prepared to laugh at the over-seriousness of his own party workers, with their porten-tous pamphlets called "The Things That Matter". It is a gloomy day

when a political leader of a right of centre party, in robust Australia, of all places, is deemed unelectable because he is prepared to mock such ghastly totems of political cor-rectness as "women's and civil rights groups, Aborigines and

n the mother country last week our own Jeremy Hanley, having scarcely had time to register that he had become Conservative Party chairman, was being declared unfit for his office because he good-humouredly described some violent yobs as "exuberant". Like his contempoble crime was levity.

We are in an age when a sense of humour has been designated the eighth deadly sin, at least as far as politicians are concerned. There can be no doubt that Norman Lamont's announcement, two years ago this week, that he was singing in his bath on the morning after sterling's forced exit from the exchange rate mechanism, was responsible for most of the abuse which the ex-chancellor subse-

tillo tells some university students that they are living in the least corrupt country in Europe, and is immediately forced to apologise. quently received.

The paradoxical truth is that, in

sure groups.

William Waldegrave reveals to a private, politicians tend to have an acerbic, often tasteless, and sometee that governments sometimes times genuinely very funny sense of humour. Their cynical and mor-dant wit makes them good comlie, and is henceforth considered pany. And yet they are forced to

As one politician wryly told me, in modern public discourse "gaffe" is the word used by journalists to describe a politician telling the

am afraid that journalists must take a large measure of blame for this. They are as cynical a breed as the politi-cians they write about, but all too often they adopt a tone of outraged

surprise when a government minkter blurts out in public the truth which he will have told the same journalists countless times in unattributable briefings. It is as if they regard the public as children, unfit to be exposed to the murky realism which characterises the private discourse of those who write about politics for a living. Yet the extraordinary public success and acclaim for Alan Clark's diaries is clear evidence that the public is capable of appreciating political dialogue stripped bare of euphemism and mock-seriousness.

Clark, you will observe , left political life with neither a perage nor a knighthood. But at least he had fun. As I have had, over the past 31/2 years, in writing this column. Good bye, and thank you for reading to the end.

Dominic Lawson is editor of The

Private View/Christian Tyler

The general who picked up a briefcase

Ramos is a small man He was sitting behind an enormous desk in the Hotel de Crillon in Paris this week gently mashing an unlit cigar. "Can I offer you a cigar?" he said.

Thank you - I've given them up.
"I have too. But I have to promote our best export product, you see, and this is one way of eliciting interest." He smiled benignly.

When the head of a turbulent country like the Philippines feels secure enough to take an extended business tour of Europe, things have surely changed.

Ramos is a large part of the reason for that change. A former enfor-cer for Ferdinand Marcos, his second cousin, he led the "people's power" revolution against the Marcos dictatorship in 1986 and quashed seven attempted coups to protect successor Cory Aquino before running for the presidency

For the last nine days Ramos has been travelling with a large retinue between Rome, Madrid, Paris, Brussels and Frankfurt to confirm his democratic credentials and trumpet his country's newly-acquired stabil-

ity and economic growth. Long famous for its poverty, civil turmoil, crony capitalism, foreign indebtedness, tax evasion and bureaucratic corruption, the Philippines is now being hailed as the latest addition to Asia's economic

Ramos himself is credited with pacifying or neutralising the Communist, Moslem and far-right military rebels. He even claims to have pacified the Catholic Church to which 85 per cent of the 66m Filipinos belong. Church leaders including the outspoken Cardinal Jaime Sin - attacked his government's birth control programme as an invitation to vice and sexual per-

A Methodist who keeps a statue of the Madonna in his office, Ramos on this tour enjoyed a private audience with the Pope. They met as the Vatican was fighting its corner at the UN conference on population control in Cairo, so I asked Ramos if they had discussed family planning

and artificial contraception.
"To tell you frankly, the Holy Father and I have been exchanging letters since early May. I pointed out in my letters that in the Philippines the family is considered as the basic social unit, the very key to the survival of the nation."

There was no disagreement on principles, he added. "The freedom of conscience, we say in government, is the basic freedom which we protect. It's up to married couples to determine what kind of life they would like to have for themselves and for their children.

is the church too powerful? "It's a matter of opinion, I guess, But if you look at the recent elec-

tions, the Catholic Church, as far as I can see, did not try and impose its collective authority in favour of any candidate or set of candidates." What are your relations with Car-

"Very good. I kid him all the time because for the last seven or eight years I have been attending his birthday parties, on his invitation. We both belong to the class of 1928 - we were born the same year."

Ramos's former jobs as head of the feared paramilitary police and national police under Marcos seem to have been forgiven him as he pursues economic success under democratic rule, a rare combination

You grew up in an authoritarian regime. I said. How can you satisfy people that you will not one day want to seek more power to drive your programme through?

"I think you must understand that being in the military as a career does not make you a dicta-tor, per se," he said. "We couldn't stand the dictatorship. That's why we got together with the people and Mrs Aquino and many other mili-tary professionals to throw out the dictator. The record is there and can speak for itself.

"So what are we guaranteeing to the western investor? A govern-

should be charging all over the place on a white horse, which is the usual dramatics of Philippine politics. But I am different. We have seen how Philippine

Ramos has never been accused of flamboyance. But on his hirthday

If you are calm and steady, I said, is that due to your military training, your Methodist upbringing?

No, it's because of me. All of those things impacted on the making of me. But I would give credit to discipline, specially self-discipline. You don't have to go to military school to learn that. But going through an institution like West Point helps." (He won a place at the tough US military academy against

cisely because this was the nature of my military career. As a military man, very early on, I saw that poverty, injustice in the Philippines was not to be solved by military means but by the removal of the root causes.

Ramos, born in Pangasinan in the north of the country, describes his background as middle-class but not wealthy. His father was a reporter who became a congressman, ambassador and foreign secretary. His mother was a public school teacher "very charming, a very effective campaigner who was loved by ordi-nary people because she knew how

They call you "Steady Eddie", I said. Some would say you are going too slowly, too cautiously.

cratic, predictable, transparent, con-

neuter themselves in public, all for fear of offending one or another of

the growing band of one-issue pres-

Blunt telling of home truths is

similarly unpalatable, and must be recanted at all costs. Michael Por-

"You have to judge the performance by the result. What is important for me is to start properly. There are some critics who think I

politics in the traditional pattern have failed. They have not provided for the livelihood of the people. It was basically an oligarchy and there was a mistaken idea that there must be drama, charisma, fire and a lot of special effects taking place, forgetting that you must first put in the fundamentals. And this is what I have done." He cited the end of power cuts as an example.

he used to enjoy parachuting into the party - one year he descended with a crate of beer, another with a live goat for the barbecue.

400 of his countrymen.) "I have also seen the best and the worst in Philippine society, pre-

to relate to them". A younger sister, Letty, went into politics before him and is the country's second-ranking

The president and his wife Amelita "Ming" Martinez have five daughters, one of whom, on holiday from Hong Kong, was sitting among the officials in the room as he

I forebore, therefore, to ask Ramos about the allegation in a Manila newspaper last year - not apparently so far denied - that behind him is a powerful mistress. When I asked a senior aide about it afterwards he smiled ambiguously and said: "Maybe it was a long time

The soldier-president, sometimes likened to General Risenhower, says he has all his life been affected by

'Being in the military as a career does not make you a dictator, per se'

the devastation of war - first as a boy during the second world war, then as a combat soldier in the Korean War, later as a fighter of his own country's insurgents.

In Vietnam, he headed a non-combatant unit sent in to repair roads and bridges and distribute medical relief. Civic action, a military form of community help, had been an important theme of his life, he said, and his overall responsibility as a former deputy chief of staff. Later. under Cory Aquino, he was put in charge of relief operations for the huge earthquake of 1990. When did you start having presi-

dential ambitions? "After seeing that the economic empowerment of the people had not yet been put in place towards the end of President Aquino's term, I

decided to go for it. "By that time I had helped Mrs Aquino overcome seven coup attempts against her government and I felt the economic setbacks resulting from these upheavals, and

(the earthquake, followed by the eruption of Mt Pinatubo and a succession of typhoons) convinced me that someone who knew how to do it must take over.

"Another factor you might say that convinced me to go for it was the clamour of people that were with me during the people power revolution who did not see much improvement over the years that followed. They said I must finish the unfinished revolution."

In getting to the top were you lucky or clever? "It's not because of religion, or schooling," he repeated. "I am saying it's because of me. That's the

way I was made. When I asked him what he read he mentioned Alvin Toffler, Paul

Kennedy, and John Naisbitt of 'Megatrends" fame. "I do read a lot and I write a lot. in the sense of writing my own stuff - speeches for instance. I'm happy to give you some samples later on

He held up some notes. My time was up, but President Ramos allowed one more question. So I mentioned the thousands of Filipino women who do menial work in Europe and the Middle East, often to support children they have left behind, and often

exploited in the process. Are their remittances a welcome feature of the economy. I asked, or is their presence an embarrassment to you?

"No, we are just practical about this. The jobs are here but we are generating jobs now in the Philipnines so that we can keen many of our nationals at home. But this will take time." Ramos pointed to the \$ doubling, to more than 5 per cent, this year. "We are optimistic that the creation of jobs will happen."

I got up to leave and the president, who had been busily writing in a book, handed the volume to me across the wide desk. "You might find this interesting, too," he said. It was a colour magazine with a picture of a man scuba diving among

When I got outside among the throng of protocol and security men, the smiling attaché pointed to the caption. The scuba diver was unflamboyant Steady Eddie himself.



song for yobs and nobs

Peter Aspden on why 'Land of Hope and Glory' makes him uneasy

istening to "Land of Hope and Glory" always makes me fidget in my seat, not least because of the withering looks all around me which suggest I should be standing. It is not a sign of disrespect, more a sense of uncase over the sentiments being unleashed, and their appropriateness to the occasion.

The two versions I heard

recently, both celebrating very diverse aspects of nationhood, were rousing testaments to the real joy many people experience singing this powerful anthem: but I could not belp wondering if the two groups were actually divided by a common call to exaltation.

The first was at Wembley Stadium last week where, as has been the practice for a few years now, Elgar's march was blasted out by the orchestra as the two teams came on to the pitch.

The unashamed point of the exercise is to provoke the crowd into vociferous vocal support for the home team, to intimidate the opposition, to swell the roar of those three lions on the shirts of what sometimes look like some very young, skinny lads.

Nothing wrong here at all; sport is regarded as a legitimate and secure arena for such feelings. It thrives on adrenalin, theatricality and violence of passion. And last admit, but maybe Wembley had

week's opponents, the United States, after their improbably pros-perous summer, are not unfamiliar with intensity of feeling and bigcrowd psychology.

The reservations surface a few

noments later, when, as always happens, the opposition's national anthem is played. Not that anyone can hear it very clearly; for the

anduly poisoned my judgment. In fact, the Royal Albert Hall, awash with flags of many nations, seemed a genuinely joyful place to be.

My anxieties were allayed completely when Bryn Terfel stepped up to lead "Rule Britannia", bursting with Welsh pride (no need to do any swelling here) but tempering the proceedings with a tightly clutched rugby ball and flag stick-

'It is a witless display, staining any dignity which the preceding minutes had acquired.'

plane of fervour, drowns it out, by boos, whistles, curses and simple

It is an ugly, witless display, embarrassing to share (one can never wholly detach oneself from a crowd) and ineluctably staining any dignity which the preceding

minutes had acquired. It was with some trepidation. then, that I watched the climax of the Last Night of the Proms a few days later. Not only another "Land of Hope and Glory", but a "Rule Britannia" and "Jerusalem" to follow: a triple shot of patriotic lust just in case we missed the point.

It made me feel uncomfortable. I

for an audience which above all was looking for a good time. Here, after all, is how the British should handle nationalism, with lashings of trony, glancing back-

Tolerance, wit and self-effaceestimated; this surely is the perfect way to celebrate them. And yet, I continue to feel

measy. Is it not too complacent to

distinguish so easily between the

ing out of his back. Here was patriotism all right, but placed firmly in inverted commas, a bit of a laugh, perfectly pitched

wards but rooted firmly in our present less-than-auspicious cirment are not virtues to be undervulgar inanities of a yob culture and the cleverly modulated coolness of a nob culture? They are, it should be remembered, singing the same song. On a freezing mid-winter night

some years ago, England enter-

tained Cameroon for another friendly match. It was a few weeks into the Gulf War, and feelings, notwithstanding the bitter cold, were running

higher than usual. As the Cameroon stars of the 1990 World Cup lined up, a clutch of Arsenal fans in front of me struck up a half-hearted chant which soon evaporated into the bleak night: "Saddam is a yiddo, Saddam is a ylddo..."

The perplexing irrelevance of the chant - one needs a crash course in North London demographics to understand it - is almost funny, were it not for the fact that this pithy slice of "terrace humour" managed, with one bilious brushs troke, to offend at least three religions, two continents and a clutch of squirming liberal-pacifists who just wanted to enjoy the match.

The British are fortunate enough not to be at war at present; but one ought to be more careful than ever with hope and glory. Neither one is in plentiful supply right now, and

Schroders. Who better in Japan?

are probably aware that the Japanese stockmarket has only recently begun to rise. In fact, the Nikkei 225 is currently trading at just over half the level of its all time high in 1989*.

We believe this is an ideal time to invest. As signs of economic recovery become ever more apparent, so the confidence of domestic and foreign investors grows. It is our opinion that their money will cause Japan's market raily to accelerate, producing the potential for exciting returns

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Schroders have over £4 billion invested in Japanese equities on behalf of those who already know about our expertise. £800 million is invested in our Japanese unit trusts. Little wonder, when our funds in Japan achieve such excellent investment performance. Take our Tokyo Fund, first in its sector since launch in February 1981; and our Japanese Smaller Companies Fund, the top fund in its sector

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	e. The value of investments and the measure as well as up and investors may on	
MENOREN OF	ignally invested based by Schmide	Les parcy to

*Nikhet 225 Rock Average Index 10,014 30 at 14,0044 Att time high 30,015.07 at 2012/09, "Micropol office to bid with net mecture reinvested to 1300/04 Tokyo Fund from 0,003/01, 1/11 and form 0,00987, 1008. Justices Smaller Companion Fund from 03/02/04, 1/04, 1/14 and 1/17 respectively.

Schroders

over 5, 7 and 10 years**.